

Second Session - Thirty-Eighth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

Official Report
(Hansard)

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Speaker*

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 20, 2004

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PETITIONS

Proposed PLA–Floodway

Mr. Kelvin Goertzen (Steinbach): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

The Manitoba Heavy Construction Association has indicated that the forced unionization of all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated, "Major industrial projects built under project labour agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays."

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers' Federation, the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Association of Manitoba, the Winnipeg Construction Association, the Construction

Association of Rural Manitoba and the Canadian Construction Association have publicly opposed the Premier's plan to turn the floodway expansion project into a union-only worksite.

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending his Government's forced unionization plan of companies involved with the Red River Floodway expansion.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

Signed Doug Hamm, Chuck Hudson, Ted Johnson and others.

Mr. Speaker: In accordance with our rule 132(6), when a petition is read it is deemed to be received by the House.

Minimum Sitting Days for Legislative Assembly

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I, too, wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

The Manitoba Legislature sat for only 37 days in 2003.

Manitobans expect their Government to be accountable, and the number of sitting days has a direct impact on the issue of public accountability.

Manitobans expect their elected officials to be provided the opportunity to be able to hold the Government accountable.

* (13:35)

The Legislative Assembly provides the best forum for all MLAs to debate and ask questions of the Government, and it is critical that all MLAs be provided the time needed in order for them to cover constituent and party duties.

Establishing a minimum number of sitting days could prevent the government of the day from limiting the rights of opposition members from being able to ask questions.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider recognizing the need to sit for a minimum of 80 days in any given calendar year.

Signed by Leonard Schultz, Sandra Schultz and David Kolten.

Mr. Speaker: In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

Highway 227

Mr. Ralph Eichler (Lakeside): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition.

It is unacceptable for the residents of Manitoba to travel the unsafe gravel roads of Highway 227 in the constituencies of Lakeside and Portage la Prairie.

Inclement weather can make Highway 227 treacherous to all drivers.

Allowing better access to Highway 227 would ease the flow of traffic on the Trans Canada Highway.

Residences along Highway 227 are not as accessible to emergency services due to the nature of the current condition of the roadway.

The condition of these gravel roads can cause serious damage to all vehicles, which is unacceptable.

Residents of Manitoba deserve a better rural highway infrastructure.

We petition the Manitoba Legislative Assembly as follows:

To request that the Minister of Transportation and Government Services to consider having Highway 227 paved from the junction of highways 248 and 227 all the way to Highway 16, the Yellowhead route.

To request the Premier of Manitoba to consider supporting said initiatives to ensure the safety of all Manitobans and all Canadians who travel along Manitoba highways.

Signed by George Matheson, M. Robertson, L. Robertson and others.

Mr. Speaker: In accordance with our Rule 132(6), when the petition is read it is deemed to be received by the House.

Proposed PLA—Floodway

Mr. Stuart Murray (Leader of the Official Opposition): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for this petition:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

Mr. Speaker, the Manitoba Heavy Construction Association has indicated that forced unionization of

all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated, "Major industrial projects built under project labour agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays."

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers' Federation, the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Association of Manitoba, the Winnipeg Construction Association, the Construction Association of Rural Manitoba and the Canadian Construction Association have publicly opposed the Premier's plan to turn the floodway expansion project into a union-only worksite.

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending his Government's forced unionization plan of companies involved with the Red River Floodway expansion.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

Signed Colin Harris, Brian Reimer, Andrew Winkless and others.

Mr. Speaker: In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

* (13:40)

Mr. Jack Penner (Emerson): Mr. Speaker, I wish to present the following petition and the reasons for this petition are:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project, Mr. Speaker, to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

The Manitoba Heavy Construction Association has indicated that the forced unionization of all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated, "Major industrial projects built under project labour management agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays."

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers' Federation, the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Construction Association of Manitoba, the Winnipeg Construction Association, the Construction Association of Rural Manitoba and the Canadian Construction Association have publicly opposed the Premier's plan to turn the floodway expansion project into a union-only worksite.

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending his Government's forced unionization plan of

companies involved with the Red River Floodway expansion.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

The petitioners are Kim Porte, Jason Porte, Wayne Reimer and others.

Mr. Speaker: In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have with us from Joseph Wolinsky Collegiate 36 Grade 11 students under the direction of Mrs. Linda Connor and Mrs. Brenda Borzykowki. This school is located in the constituency of the honourable Member for Tuxedo (Mrs. Stefanson).

Also in the public gallery we have from the Oakbank Elementary 50 Grade 5 students under the direction of Ms. Carol Woods and Mr. Randy Loeb. This school is located in the constituency of the honourable Member for Springfield (Mr. Schuler).

On behalf of all honourable members, I welcome you here today.

ORAL QUESTIONS

Budget Tax Increases

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, the easiest thing for a government to do is to increase taxes. The hardest thing for a government to do is to control spending and manage responsibly by living within its means.

This Premier took the easy way out again, Mr. Speaker, and that means that more than \$90 million is coming out of the pockets of hardworking Manitobans.

Mr. Speaker, in the weeks leading up to this Budget, this Premier said again and again: I was not elected to raise taxes. That is exactly what he has done. Why did this Premier raise taxes? Why did he do it without any mandate from the public?

Hon. Gary Doer (Premier): Mr. Speaker, the member opposite, every year after the Budget: The sky is falling, the sky is falling, the sky is falling. He runs around looking for a clip, looking for a statement.

Every year this province has improved, every year this economy has improved, every year the economic situation has gotten better under our Government. The bottom line is the disposable income of individuals in Manitoba since we have been elected has improved. Over the four years we have been elected, it has improved by over 5 percent. Net disposable income, under their years from 1990 to 1999 inflation was actually 22 percent, improved by 15 percent. People lost money under the Tory years. People have more disposable income under this Government, under a growing economy.

* (13:45)

Mr. Murray: Mr. Speaker, this Premier said to Manitobans again and again, "I was not elected to raise taxes." I do not understand it. It was this Premier that said that to all Manitobans, but that is exactly what he has done. He has gone into the pockets of Manitobans and he is taxing them to death.

Mr. Speaker, I would like to read a little ode to the Premier:

Dimes and nickels, nickels and dimes, / The Doer government takes them even at the best of times. / Dimes and nickels, nickels and dimes, / To leave them in the taxpayers' pockets, according to the Doer government, is the worst of crimes.

Mr. Speaker, if breaking promises were a crime, this Premier would do his time. When he said to Manitobans, "I was not elected to raise taxes," why did he then go out and raise taxes in this Budget?

Mr. Doer: Mr. Speaker, the tax reductions in this Budget are revenue neutral. On a go-forward basis there are more tax reductions. We have reduced taxes by over \$300 million in the income tax section.

If the member wants to have some quotes, let me quote some independent sources. BMO Nesbitt Burns says, "Considering that another \$96 million in debt payment will be made, the plan to balance budget is an impressive achievement in a choppy economic environment." Moody's says, "Consistent, positive fiscal results, a credit strength." Again, Moody's also says, "Manitoba's AA rating reflects sound fiscal policies which have helped to realize considerable improvements in the debt position over the past years." In terms of spending, the continuation, the Scotia Bank, "A realistic forecast of real economic growth." BMO Nesbitt Burns says, "A sedate pace relative to other provinces."

The member opposite may talk about issues. There have been some increases in areas like driver's car registration. But we are able to debate with any members of the Chamber, ending some of the deaths and accidents on twinning the Perimeter Highway east of the city. We are willing to take the sky-is-falling flack any day to save lives.

Mr. Murray: Mr. Speaker, I am delighted that perhaps the Premier was able to read the speech that I delivered to our party dinner where I said it is imperative that we twin that portion of the highway because deaths have occurred there. It is a priority. So I applaud the Premier for listening to what we want to do.

Unfortunately, Mr. Speaker, as we just understand, it is unfortunate that the Premier is not going to act until 2009. I say shame on him. Do it tomorrow. Do it when it is right.

Mr. Speaker, the reason is—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Murray: Mr. Speaker, there is nothing new about this Premier's party. They are the same nickel-and-dime party today that they were years ago. This Premier is all about taxing, is all about overspending, is all about deficits, and he is all about paying back to his union boss friends.

First, we saw Bill 44. That was the first step. Then the second step was the forced unionization and forcing people to pay union dues. Now we find that it is a special PST exemption on legal services related

to collective agreement or collective bargaining. Is that not interesting? Why is this Premier choosing his ideology and his union-boss friends over our kids' future? He should be raising the hopes of our children, not taxing their parents.

Mr. Doer: The middle-income tax reduction of 6 percent will proceed. When we came into office, the middle-income tax bracket was 16.6 percent. It is now down to 14 percent. When we came into office the corporate tax rate was 17 percent. In this Budget it goes down to 15 percent. Members opposite never reduced the corporate income taxes, Mr. Speaker. The small business tax has gone from 8 percent to 5 percent and then in this Budget it goes down to 4.5 percent. I would point out to Mr. Chicken Little and the sky is falling that—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. In this Chamber all members are honourable members and all members should be addressed by their constituency, ministers by their portfolio. I am asking the Premier to withdraw that last comment.

Mr. Doer: Mr. Speaker, I was not referring to anyone that is specific, but I do withdraw. I withdraw.

Mr. Speaker: Order.

* (13:50)

Point of Order

Mr. Speaker: The honourable Official Opposition House Leader, on a point of order.

Mr. Leonard Derkach (Official Opposition House Leader): Mr. Speaker, with the greatest of respect to the Premier of this province, I think it is not becoming of a Premier to use the kind of language that he has just done or, in other words, to withdraw in the qualified way that he has a statement that he made that he knows is wrong.

Mr. Speaker: The honourable Government House Leader, on the same point of order.

Hon. Gord Mackintosh (Government House Leader): I am reluctant to intervene, Mr. Speaker.

The words "Chicken Little" are not on the list of unparliamentary terms. Second of all, the Premier withdrew the remark.

Mr. Speaker: The honourable Official Opposition House Leader, on the same point of order?

Mr. Derkach: Yes, Mr. Speaker. Although the term "Chicken Little" may not be on the unparliamentary list—

Mr. Speaker: Order. The honourable Official Opposition House Leader, as before.

Mr. Derkach: When I am recognized in the House by the Speaker, I do not refer to the Premier in any derogatory way nor do I call him a derogatory name when I am recognized by the Speaker.

Mr. Speaker, he was referring directly to the Leader of the Opposition and everybody knows that and he does, too. All I ask the Premier is to be respectful, as he expects others to be in this Chamber, and to do the right and honourable thing.

Mr. Speaker: On the point of order raised by the honourable Official Opposition House Leader, I have rulings made by Speakers. "Chicken Little" has been ruled unparliamentary and it has been ruled parliamentary by other Speakers, and the withdrawal of a matter that the Speaker has requested should be to the satisfaction of the Speaker. I am asking the honourable First Minister to unequivocally withdraw that comment.

Mr. Doer: I withdraw.

Mr. Speaker: That should take care of the matter.

Mr. Doer: Yes, and continuing on, the sky is not falling, Mr. Speaker. The average disposable income in Manitoba has gone up 5.7 percent. The incomes of Manitobans since we were elected have gone up 14.5 percent while prices have gone up 8.8 percent.

Mr. Speaker, the average disposable income according to Stats Canada went up 17.7 percent from 1990 to 1999 and the prices rose 22.8 percent. Average Manitobans' buying power fell 5.1 percent

under the Tories and it is up 5.7 percent under the NDP. That is why people know that they are better off today than they were in the days of the Tory governments here in Manitoba.

Budget Expenditure Estimates

Mr. John Loewen (Fort Whyte): Mr. Speaker, the Premier (Mr. Doer) should stick to the facts. In 1999, a family that earned \$40,000 in Saskatchewan paid \$485 more per year than a family in Manitoba. In 2004, they pay \$346 less. That is not progress.

Mr. Speaker, the Doer government has increased spending by over \$450 million, all the while running a \$112-million operating deficit last year. The Finance Minister had to admit that he had overspent his Budget by \$152 million.

This year, he expects Manitobans to believe that he can hold expenditures to an increase of \$81 million and at the same time not overspend his Budget. I would ask him: What assurance can the minister give to Manitobans that he can limit the spending of his Cabinet colleagues and keep this Budget on track?

*(13:55)

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, if we are putting the facts on the record, perhaps it would help the members to know that, in their '99-2000 budget, they overspent by 7.5 percent. The total overspending in the last four years under this Government is less than the overspending they incurred in one year. As a matter of fact—

Mr. Speaker: Order.

Mr. Loewen: Mr. Speaker, the Finance Minister forgets that he had control over the books for most of that year, and he can thank his supposed Deloitte & Touche study. The Premier says he was not elected to raise taxes. The Finance Minister has brought in a budget that does virtually nothing but raise taxes.

If you drive, if you use prescription medicine, if you smoke, if you drink, if you require the services of a lawyer or an accountant, if you operate heavy equipment, if you register a vehicle, you are going to pay more to the Doer government.

When will this minister bring forward an economic plan to make Manitoba competitive, so he will not have to rely on nickel and diming Manitobans to death to solve his Budget woes?

Mr. Selinger: Mr. Speaker, the economic plan shows itself in the growth in our GDP in this province. Incomes have grown in Manitoba. The disposable income of Manitobans over the last four years has gone up 5.7 percent. The disposable income under a decade of Tory rule went down 5.1 percent. Manitobans have more purchasing power now, more money in their pockets in the last four years than they did in the ten years under the previous government.

Mr. Loewen: Mr. Speaker, I can assure this minister that Manitobans do not want to look back to 1999. They want to look forward and they want to see hope and opportunity, something he has failed to deliver. This Doer government has completely ignored the request for Manitoba business to make Manitoba competitive. Our economy is lacklustre, retail sales are flat and our job creation rate lags behind the Canadian average.

Does the minister have a backup plan to balance this Budget when his revenue numbers fail to meet his overly optimistic forecast?

Mr. Selinger: Mr. Speaker, looking forward is exactly what this Government is doing. We are developing the North. We are developing the downtown. We are developing the rural areas. We have reduced personal income taxes by \$311 million in the last four years, doubling anything they did in the 12 years that they were in government. We have reduced the corporate tax rate \$74 million. We have reduced the small business tax rate by over 43 percent. None of those actions took place under the former government. It is a much more affordable province now than it was during their day, and there is a lot more hope and opportunity in this province today.

Budget Tax Increases

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, the Premier said, and I quote, "We did not get elected to raise taxes." Yet, yesterday, his Minister of Finance announced more than \$90 million in tax increases for Manitobans.

Mr. Speaker, my question is for the Minister of Education, Citizenship and Youth (Mr. Bjornson). Does he not understand that by increasing the tax burden on young Manitobans he is driving them out of our province? What part of if you tax them they will leave does this Government not seem to understand?

* (14:00)

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, being a young person in Manitoba is a story of hope these days. The tuition freeze is in year five in this province and it is 10% lower than it was in 1999. We have the third-lowest tuition fees in this country. The tax rates have gone down for young people. The Autopac rates are among the lowest in the country and to live in Manitoba and get a start in Manitoba with the lowest unemployment rate or the second-lowest unemployment rate for young people, this is the place where you can start a career and a family.

Mrs. Stefanson: Mr. Speaker, the Premier said, "We did not get elected to raise taxes." Yet Manitobans continue to be the highest taxed income tax west of New Brunswick. My question for the Minister of Education, Citizenship and Youth: Is the subsidization of B.C., Ontario and Alberta's workforce the vision of this Government for youth in our province?

Mr. Selinger: The member asks about migration. We have more young people coming back to this province for the first time in over a decade. We have a net increase of young people coming back to this province.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mrs. Stefanson: Well, thank you very much, Mr. Speaker, and once again the Minister of Finance is not clear on his numbers. As a matter of fact, last year we had a net loss of 2253 people to other provinces, most notably to B.C. and Alberta. Why is there nothing in this Budget to stem the exodus of our youngest and brightest people?

Mr. Selinger: Mr. Speaker, we have had young people coming back to this province never like we have seen in over a decade. There are good, quality jobs available in this province.

We are growing the R&D sector. We are growing the biotechnology sector. We are hiring young people as nurses, engineers, accountants, lawyers and professionals in the teaching profession as well. There are ample opportunities in this province that have not been seen before because we are expanding all sectors: the private sector, the voluntary sector and the public sector, in a way that creates new jobs for young people.

Pharmacare Deductible Increase

Mrs. Myrna Driedger (Charleswood): Mr. Speaker, yesterday, this Government continued its assault on the elderly. Not only are they cutting off Alzheimer's patients from getting special drugs in personal care homes in Winnipeg, for the third year in a row they have raised Pharmacare deductibles. In opposition, the Minister of Health called this a tax grab or a tax on the sick. Can the Minister of Health tell us why he now approves of this tax grab and this tax on the sick?

Hon. Dave Chomiak (Minister of Health): First of all, Mr. Speaker, the member is factually wrong. We are not cutting off Alzheimer's patients. We were the first province that had a comprehensive Alzheimer's drug strategy. We provide to hundreds of Manitobans very expensive Alzheimer's drugs. We provide them both in the community and in the personal care homes. Again, the member is wrong with respect to her facts.

When the member opposite was the assistant to the Minister of Health, they spent \$72 million on Pharmacare. Last year we budgeted \$177 million. We have tripled the number of payments that we make on Pharmacare. We have gone from 58 000 people on Pharmacare to 85 000 families on Pharmacare. We have enhanced the program, and what we want to do is save Pharmacare. Save it for the future.

Mrs. Driedger: Mr. Speaker, that answer certainly showed the hypocrisy of this Minister of Health.

In today's *Winnipeg Sun*, a spokesman for the Manitoba Society of Seniors is quoted as saying that this Pharmacare hit affects the lowest income people and is an added hardship to seniors. He says the increase could mean the difference between milk and medicine.

I would like to ask this Minister of Health: Why can he not prioritize his health care needs, scrap plans for a \$20-million Laundromat, and instead redirect that money to Pharmacare? Why is he forcing seniors to have to make a decision between milk and medicine?

Mr. Chomiak: Mr. Speaker, for 85 percent of the 85 000 families that are on Pharmacare, the changes will cost between \$1 to \$9 per month, and it is on a graduated scale. What it will do is allow us to fund the new drugs that we have put on the Pharmacare program, the new drugs such as Betaseron that costs \$20,000 a year per patient, such as Remicaide that costs \$26,000 a year per patient, and such as Gleevec that costs \$24,000 a year per patient; three of the thousand drugs we have added to the formulary since we have been in office.

Mrs. Driedger: Mr. Speaker, this Premier (Mr. Doer) said he was not elected to raise taxes. He should have also promised not to raise those taxes through the back door. Yesterday in this Chamber he said it is not our way to save money on the backs of patients. I would like to ask this Minister of Health: Why are they doing just that? Why are they saving money on the backs of patients and seniors?

Mr. Chomiak: Mr. Speaker, we spent on pharmaceutical drugs since we have come into office over \$120 million more than when members opposite were government. The first three questions that they asked said, "Why are you spending so much money?" We are spending over \$100 million more on Pharmacare alone. Now when we try to save the Pharmacare program into the future, and we want to save the Pharmacare program, that is what this is all about is managing the growth, even though there are going to be more patients, more drugs and more coverage.

We want to save the program for the future. That is why we have taken the action we take today, to save Pharmacare into the future so we have a program. We are not like when the Tories were in office, getting rid of programs wholesale. We want to save it.

Budget Tax Increases

Mr. Jack Penner (Emerson): Mr. Speaker, Manitoba farmers have been under attack from all angles: drought, grasshoppers, BSE crisis, the PMU industry.

Now the potato industry is having some severe, severe cuts in their industry.

Mr. Speaker, farmers have suffered a 40% reduction in income this year alone. Farmers today feel that this Government has totally abandoned them. Why would this heartless government increase taxes to farmers in this Budget at this time?

Ms. Wowchuk: Mr. Speaker, I would like to remind the member opposite it was his Government that raised the portioning of farmland when they were in office. When we came into office, we reduced it, saving farmers \$7 million.

Farmers had asked them many times for the special levy on farmland to be eliminated. They asked the Opposition. They did nothing. This year, in this Budget yesterday, Mr. Speaker, we reduced by 5 percent the special levy on farmlands.

The member opposite should not say that we do not understand farmers. We recognize the challenges that are there. We have reduced their taxes, Mr. Speaker, and we have put money into risk management programs for them which are very important programs.

Mr. Penner: We have all heard the Premier (Mr. Doer) say that he was not elected to increase taxes. We, the people of Manitoba, concurred with that.

Mr. Speaker, when will this Government realize that farmers and their families can no longer bear the pain of increased taxes? Will this Government today end its destructive path of taxation on all Manitoba farm families?

Ms. Wowchuk: Mr. Speaker, this Government does recognize the importance of farmers in this province. That is why we reduced the portioning on farmland which the previous administration increased. We reduced it and took that cost away from farmers. We have reduced—

Some Honourable Members: Oh, oh.

* (14:10)

Mr. Speaker: Order.

Ms. Wowchuk: —personal income tax, Mr. Speaker, and yesterday we took the first step towards reducing

the special levy which the Opposition never addressed when they were in government.

Mr. Penner: Mr. Speaker, in this past year, farmers' incomes have dropped 40 percent. That is the largest drop in the history of this province for farmers. In this Budget, we see increased accounting fees, increased engineering fees, increased diesel taxation fuel, increased taxation on farmland and buildings.

Mr. Speaker, all these costs will increase the cost to the farm operation. Why does this Government want to drive the tax knife deeper into the chest of every farmer in this province?

Ms. Wowchuk: Mr. Speaker, the member tried to spin in the media yesterday that the fuel tax increase was going to affect farmers, when in fact it does not apply to farm fuel.

Mr. Speaker, it is this Government that reduced portioning and reduced farmers' taxes. It is this Government that reduced personal income tax. It is this Government that decreased small business taxes.

Mr. Speaker, there is no doubt farmers are facing serious challenges, but it is this Government that has also improved the safety net program to cover more of the losses that farmers are facing because of the challenges, and it is this Government that has put in place the money to cover those losses.

Budget

Generally Accepted Accounting Principles

Mr. John Loewen (Fort Whyte): Mr. Speaker, this Premier (Mr. Doer) says he was not elected to raise taxes, and then he sends his Finance Minister out in his Budget to raise taxes by over \$90 million. This Premier says we need to have a discussion about the real numbers and then he forces his Finance Minister to try and justify a \$112-million operating deficit and to try to justify taking \$143 million out of the rainy day fund to pay \$96 million back in debt.

When is he going to get his numbers straight? When are we going to have a discussion about the real numbers? When are they going to quit hiding behind their phoney accounting policies and come clean and adopt generally accepted accounting principles?

Hon. Greg Selinger (Minister of Finance): For clarity and accuracy, if the member would turn to

page D-1 in the budget papers he would see that tax reductions are \$50.8 million and tax increases are \$46.8 million, for a net reduction in overall taxation of \$4 million. Those are the facts, Mr. Speaker.

Mr. Loewen: My question to the minister is: Why will he not adopt GAAP? When are we going to have the discussion about real numbers? Mr. Speaker, the Auditor General has stated quite clearly there was a deficit of \$10 million in '01, a deficit of \$184 million in '03 and a deficit of \$531 million is projected for '04. Yet this Government goes out and claims to balance the Budget. When will this minister adopt generally accepted accounting principles and have the discussion focus on the real numbers?

Mr. Selinger: Mr. Speaker, one day they want to retain the balanced budget legislation and another day they want to abolish it.

We are the first Government in the history of this province to publish a summary budget, the first Government to report on a summary basis, and this year we made a new improvement. We have a mid-term forecast on a summary basis. We report under balanced budget legislation, which is the law of this province and we balance under it. We also report under the summary budget, which is the first time in our history, never done by the members opposite. Who is really accountable? We are; they were not.

Mr. Loewen: Mr. Speaker, for this minister to stand up in this House and claim that he is publishing the real numbers, contrary to what the Auditor General says and when he refuses to adopt generally accepted accounting principles, he is being hypocritical.

I would ask this minister to come clean, to explain to his Premier why he ran a \$112-million deficit and to explain to the Auditor General why he is refusing to take his advice and adopt generally accepted accounting principles. Just do the right thing.

Mr. Selinger: Mr. Speaker, I have explained fully how we have adopted measures never before taken in this province. If the members opposite want to abolish balanced budget legislation, let them get up and say so. It is their legislation. We have fully complied with it. We have also complied with summary budget reporting methods in this province. A quote from Moody's, our bond rating agency, reads as follows: Manitoba's AA rating reflects sound

fiscal policy that has helped the Province to realize considerable improvements in its debt position over the past several years. The Province has in place a debt retirement program that now accommodates both direct and unfunded pension liabilities. Those members let the pension liability grow from \$1.8 to \$3 billion. We have a plan to retire it.

Budget Tax Increases

Hon. Jon Gerrard (River Heights): Mr. Speaker, we have heard many times in the last several months, the Premier say, "I was not elected to raise taxes." Yet, yesterday, the Premier raised taxes on mothers seeking legal help to get child support. Yesterday the Premier raised the user fees on those who need to get medicines, those who are sick, by increasing the deductibles on Pharmacare.

I ask the Premier, when he has told the people of Manitoba so often inside and outside the House that he was not elected to raise taxes, why yesterday he raised taxes on those who can least afford it.

Hon. Gary Doer (Premier): Mr. Speaker, we have increased the expenditures in Pharmacare since we were elected. I believe the number was some \$70 million, and I think it is over \$170 million or it may be \$80 million, but it is at least double since we were elected.

Mr. Speaker, we would note that in 1997 the member opposite campaigned for a national pharmacare program in red book two and then in the year 2000 he campaigned again or his party campaigned again on a national pharmacare program. There is no question that we need one in Canada. There is no question to support the thousand more drugs that are listed since we are in office we need a national pharmacare program. But I would note that the Pharmacare expenditures in this Budget over last year's Budget went up 3 percent from last year.

The Conservatives' alternative budget in the election campaign provided a 1% increase and the Leader of the Liberal Party presented an alternative of a 2% increase. So we may not be perfect, Mr. Speaker, and there is no question there is pressure on Pharmacare and pharmaceuticals, but the member opposite was below us in his support in the election campaign. He was going to give tax breaks to banks

and cut the Pharmacare program more than anyone else.

Mr. Gerrard: Mr. Speaker, the Premier is misleading Manitobans because in fact what is needed is better management of health care costs so the Pharmacare program can be better supported on an evidence-based basis.

My question now is to the Minister of Finance, who belongs to a government which has said that they would not raise taxes. He is now raising taxes on farmers who use accountants or lawyers. He is now raising taxes on farmers who need to hire truckers who use diesel fuel. He is now not decreasing the education tax on farmland until the year 2005, so that most farmers in Manitoba will see an increase in their education property taxes this year. I ask the Minister of Finance why his actions are leading to such adverse effects on the farmers of Manitoba.

*(14:20)

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, it was just a few short months ago that we were putting a \$100-million loan program in place to support cattle producers, of which there has been a very high degree of take-up. We have put money in place for a transportation subsidy. We have put money in place for a cull program. We did extraordinary efforts to make sure our cattle producers did not go under while they were being ignored by everybody else at other levels of government. We put the money in place. We reduced portioning by \$7 million. We reduced corporate tax rates which apply to farm corporations for the first time since the Second World War. We reduced the small business tax rate by 43 percent, which applies to some farm organizations as well. We have reduced personal income taxes by \$311 million, as well as reducing the education support levy and increasing the property tax credit.

This record of reducing taxes is unmatched by any of the members opposite.

Budget Tax Increases

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I am totally amazed by the response from the Minister of Finance. The reality is this Minister of Finance,

more than any other Minister of Finance, can smell money wherever it might be, and he brings it to the Government. This socialist attitude of spend, spend, spend is irresponsible from this Government.

I have a constituent who came forward and brought forward a specific example. In 2002, registration was \$58 for his vehicle; \$68 in 2003; 2004, \$76; and this year, because of yesterday's Budget, it is now going to be \$96.

Mr. Speaker, this Government looks and says one thing about tax relief but in reality whether it is Autopac, whether it is MPI registration, whether it is Manitoba Hydro, it is: Bring in the money, show me the money attitude.

My question is to the Minister of Finance: How does he tell Manitobans that he is not increasing taxes when we see the types of increases that are happening with Manitoba motor vehicle registration?

Hon. Greg Selinger (Minister of Finance): Mr. Speaker, the investment this Government is making in highways capital, highway roads and infrastructure is the highest that it has ever been in the history of this province. It is really rich from the member opposite, every dollar we collect in gas taxes goes back to the infrastructure when less than 5 percent of all the federal gas tax goes back into the infrastructure. Maybe the member from Inkster might want to lobby his federal counterparts to return some of that gas tax to the infrastructure here in Manitoba.

Budget Transportation Infrastructure Projects

Mr. Harry Schellenberg (Rossmere): Mr. Speaker, I have a question for the Minister of Transportation and Government Services. Could the Minister of Transportation please inform the House what transportation infrastructure projects are being planned within the Budget?

Hon. Ron Lemieux (Minister of Transportation and Government Services): Mr. Speaker, I do not have all day so I will try to be brief because there are so many projects that I could list off.

Let me just state that in the budget speech there is \$10 million more in this coming budget for transportation infrastructure. Next year, Mr. Speaker, there is going to be another \$10 million for highway

infrastructure, bringing the total up to \$140 million for transportation infrastructure.

Today I was pleased to make an announcement on the northeast Perimeter, announcing a \$65-million project, Mr. Speaker. I would hope that the member from Springfield and the Member for River East (Mrs. Mitchelson) would vote for this Budget just based on that announcement today.

Budget Tax Increases

Mr. Mervin Tweed (Turtle Mountain): Yesterday's Budget imposed several new taxes or tax increases on all Manitobans. Today in Manitoba, Mr. Speaker, if you hire a lawyer, an accountant, an engineer or an architect, if you license or drive a vehicle, if you buy gas, if you need health care, if you smoke or drink, you are paying more because of the Premier's (Mr. Doer) increases in taxes.

The Premier has stated publicly several times, "We did not get elected to raise taxes." I would ask the Premier if that is still his comment today.

Hon. Greg Selinger (Minister of Finance): A careful read of the budget papers on page D-1 would show that our measures are revenue neutral. Now the member opposite has a problem with revenue neutral. I would just ask him to read the budget papers. He complains about broadening the tax base to include the PST on those types of services. Why was he silent when the GST was applied and he supported it?

Mr. Tweed: Mr. Speaker, it seems the new model for this Government in Manitoba is if it moves in Manitoba, tax it. The Premier has said several times, "We did not get elected to raise taxes." I am expecting that his next comment to the Manitoba people might be read my lips, no new taxes.

I am asking today if the Premier stands behind his statement that he did not get elected to raise taxes for Manitobans.

Mr. Selinger: Mr. Speaker, the member opposite says that anything that moves is taxed. It has not deterred him from trying to move to Ottawa.

Mr. Speaker: Time for Oral Questions has expired.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I had announced that time for Oral Questions had expired, and now we are going to move on to members' statements.

MEMBERS' STATEMENTS

Tax Increases

Mr. John Loewen (Fort Whyte): Mr. Speaker, I rise today to express my profound concern regarding the critical economic situation facing the future of all Manitobans following yesterday's presentation of Budget 2004. The Premier (Mr. Doer) and his Government have once again demonstrated their complete lack of leadership and initiative and their inability to manage the Province's finances with the announcement of a fourth consecutive unbalanced Budget.

Despite years of promises that his Government was not elected to raise taxes, Budget 2004 is nothing short of a tax grab. Manitobans are already the highest taxed west of New Brunswick. The additional \$90 million in new taxes and fees announced yesterday will only serve to increase the burden borne by hardworking Manitobans.

This Government is looking at the economic future of Manitoba through rose-coloured glasses as it is counting on the tax dollars of Manitobans to balance the Province's books. Once again, Premier Doer has demonstrated his inability to foster economic growth, attract business, create new jobs and provide a vision—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I have mentioned quite a few times to members about referring to other members by constituencies or ministers by their portfolios and titles. I have just heard the comment of Premier Doer. To address him in the House you can use Premier or First Minister. I have been very, very consistent with that since I have been in the Chair here. I am just letting all honourable members know.

Mr. Loewen: Mr. Speaker, I will rephrase that. Once again, the Premier has demonstrated his inability to foster economic growth, attract business, create new jobs and provide a vision or long-term economic plan for the province of Manitoba. Thank you.

Deer Lodge Staff Fitness Centre

Ms. Bonnie Korzeniowski (St. James): Mr. Speaker, on Friday, March 19, 2004, the Minister responsible for Healthy Living (Mr. Rondeau) officially opened the Deer Lodge Centre staff fitness centre. I was very pleased to attend the opening and meet the wellness committee members and staff, especially because of my experience working at Deer Lodge for 12 years.

At the opening of the fitness centre, the minister spoke of the importance of staying active and how pleased he was that staff are committing to this. I know that Deer Lodge Centre is continually looking at ways to support staff and provide improved working conditions. There have been significant improvements in staff health. Staff are excited about the new fitness centre. By being affordable, an onsite fitness centre removes two of the most significant barriers many people face in trying to improve their lifestyle.

The centre believes that healthy staff provide better care for the patients and residents. By the official opening, 99 staff had signed up as members. This represents approximately 10 percent of the employees and is a good starting point to encourage others to see the benefits of membership.

Mr. Speaker, I would like to commend the hard work of the Deer Lodge Centre Wellness Committee, chaired by Glen King, in ensuring that this great facility became a reality. I know that it will be a positive development for staff and patients at Deer Lodge. I look forward to hearing more great news from Deer Lodge.

*(14:30)

Highway Twinning (R.M. of Springfield)

Mr. Ron Schuler (Springfield): Mr. Speaker, I rise today to bring to the attention of the House a matter that is creating a great deal of debate amongst residents of Springfield and the surrounding areas.

In the past few weeks, residents of Dugald, Oakbank and Anola have been circulating a petition throughout the R.M. of Springfield calling for the twinning of both No. 15 and Highway No. 15 floodway bridge. Highway No. 15, Mr. Speaker, is a major regional road that is used by a high volume of traffic to service a broad geographical and highly

populated area that encompasses the R.M. of Springfield and surrounding communities.

Over the past number of years, Highway No. 15 has been the scene of many serious accidents and numerous fatalities that have been attributed to the heavy traffic pressures and single lane infrastructure of this road. The floodway bridge is a vital link for all residents on the east side of the floodway. It is the lifeline to hospitals, employment, shopping and recreation.

In the winter months the bridge is subject to changing weather conditions and temperatures which often make the surface of the bridge slippery. With only a few inches between vehicles travelling in either direction, the combination of road conditions and possible driver error is disconcerting to many motorists and is certainly a recipe for disaster.

I would like to table this petition on behalf of the residents of Springfield and the surrounding communities who wish to see the twinning of Highway No. 15 become a provincial priority. This petition has well over a thousand signatures. I urge the Minister of Transportation and Government Services (Mr. Lemieux) to recognize the valid concerns raised by this petition and to consider the feasibility of this proposal. Thank you, Mr. Speaker.

Sport Expo

Ms. Marilyn Brick (St. Norbert): Mr. Speaker, this past Sunday I volunteered with the honourable Member for Fort Garry (Ms. Irvin-Ross) to assist with the Sport Expo. This fabulous event took place at the Winnipeg Arena and was organized in support of KidSport. Although a tally has not yet been completed, it is estimated that this event will generate in excess of \$60,000 to be used for a very worthy cause.

The purpose of KidSport is to help alleviate the economic barriers that may hinder a child from registering, playing and partaking in sporting activities. They collect new and used sports equipment and make it available to youth and children who cannot afford their own. KidSport also raises money through corporate donations, foundation grants and successful events such as Sport Expo.

At this expo, many generous benefactors and the charitable citizens of Winnipeg donated second-hand

athletic equipment. I understand there were at least 1500 pieces of sports equipment for sale. Businesses in the city of Winnipeg even contributed free goods, some of which were used for a silent auction. Winnipeggers know a good deal. The bulk of the sporting goods were sold to the estimated 5000 people who attended within 20 minutes of the doors opening.

I would like to thank the business community, in particular Great-West Life, for their generous commitment as corporate sponsors. I would also like to thank the 200 volunteers and many athletes who assisted to make the event possible. Mr. Speaker, I would especially like to commend the event chair, Bill Morrissey, the event committee co-chairs, Ian Corbett, Drew Cringan, Jennifer Gannon, Greg Griffiths, Amanda Guest, Jim Kovacs, Don MacKenzie, Mark Olson, Gilles Saurette and Jaclyn Vallis.

With the hard work, generosity and dedication of the citizens of the city of Winnipeg, all our children will have a greater chance of becoming better citizens by helping them to learn self-confidence and the value of teamwork through sport. The event was a huge success. Thank you, Mr. Speaker.

Tax Increases

Hon. Jon Gerrard (River Heights): Mr. Speaker, yesterday's Budget raises big credibility issues for the Premier (Mr. Doer) and the NDP. I ask: Is it credible for the NDP to claim they will have a balanced Budget this year?

Last year's Budget projected expenditures of \$7.256 billion, but the NDP actually spent more than \$135 million than they budgeted. Frankly, after last year's performance, the NDP have little credibility when they say they will balance the books this year.

After repeating his mantra, the Premier has said many times, I was not elected to raise taxes. Now the Premier is raising taxes and user fees. He is even raising taxes on the legal fees needed for a woman to get child support. Is it any wonder that his credibility is going down the tube?

While the NDP talks inside the Legislature of their support for low-income families and for affordable housing, they have gradually reduced the housing budget from \$42 million in 1999 to a low of

\$28 million in 2004-2005. With affordable units for those on income assistance now on the endangered species list, the NDP credibility to speak for those living in poverty and for those who are marginalized has gone up in smoke.

The NDP say they have achieved much in health care but the reality is too many Manitobans are waiting far too long for critical care. Raising the Pharmacare deductible is a tax on the sick who do not have a choice but to pay the tax in order to get well. The NDP no longer have credibility as advocates for, or managers of, health care in Manitoba.

The NDP talk about farmers. Yet, in spite of the NDP's smoke and mirrors about taxes on farmland, most farmers will see their per-acre tax payments rise this year.

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I understand that the Leader of the Opposition (Mr. Murray) has the debate in his name and he is out there scrumming, so perhaps we can just await his arrival to begin that debate.

Mr. Leonard Derkach (Official Opposition House Leader): Mr. Speaker, with the indulgence of the Government House Leader, may I ask for a five-minute recess to accommodate the leader in coming back from the scrum?

Mr. Speaker: Is there leave for the House to recess for five minutes? *[Agreed]*

Mr. Speaker: So, the House will now recess for five minutes, and then we will reconvene after.

The House recessed at 2:38 p.m.

The House resumed at 2:44 p.m.

ORDERS OF THE DAY GOVERNMENT BUSINESS

ADJOURNED DEBATE (Second Day of Debate)

Mr. Speaker: As previously agreed, we will now resume business of the House. I will now call Orders

of the Day and we will resume debate on the proposed motion of the honourable Minister of Finance (Mr. Selinger) that this House approve in general the budgetary policy of the Government, standing in the name of the honourable Leader of the Official Opposition.

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, I rise today to comment on what is being deemed the Premier's Can't-Do Budget that was introduced in the House yesterday. It is a budget that cannot create new jobs; it is a budget that cannot create a long-term economic plan; and it is a budget that cannot create wealth in the province of Manitoba.

I think what we have seen is very clear. Yesterday we listened to a Premier introduce a budget who said all along leading up that he was not elected to raise taxes. That is what this Premier (Mr. Doer) told Manitobans. That is what he told the Legislature, Mr. Speaker.

What happened yesterday, Mr. Speaker? He raised taxes. It appears that today's NDP is looking an awful lot like yesterday's NDP. There was no hope or no vision in this budget document, and that is unfortunate for the future of Manitoba, for the youth of Manitoba.

It was frankly a lost opportunity. There was a chance for this Government to talk about being fiscally prudent, Mr. Speaker, for living within their means, for doing nothing other than what hard-working Manitoba families must do in the province of Manitoba. That is, live within the income that they generate and ensure that their expenses are not over what their income is.

One of the biggest things about being the Premier, and in fact being in government, clearly is that sometimes you have choices. You can either make tough decisions that benefit the province in the sense of moving it forward, or you can take the easy way out and roll those tough decisions over onto the public, onto Manitobans, Mr. Speaker.

Yesterday what we saw was this Doer government putting both hands into Manitobans' pockets and taking some \$90 million in increased taxes out of their pockets. Mr. Speaker, that is the old NDP way, the tax-and-spend NDP.

Manitobans want bold, innovative and radical policies. That is what they want. They want solutions to our problems, a vision for the future. That is what Manitobans are looking for, policies that embrace optimism, policies that embrace the future, policies that embrace realism.

This Doer government's wasteful overspending and underachieving have got to stop. What we have been stuck with, with this Government, the Doer government, is the status quo. That we have seen since 1999. We are not getting results, we are not getting any benefits, and we certainly are not seeing any improvements.

We need, Mr. Speaker, to change course, but this Premier has failed to do so. He has failed to put purpose behind the spending of Manitoba's tax dollars. Government must understand the priorities of Manitobans. The reality is that citizens put their trust in the government of the day to spend their hard-earned tax dollars responsibly, but this Premier has been spending, underachieving and overspending.

Let us just look at the results of this Premier's spending habits. We have got heart patients dying on waiting lists, emergency rooms in crisis, rural hospitals closing, Mr. Speaker, crumbling infrastructure, rising crime rates, backlogs in our courts, sluggish job growth, high taxes and there are more and more higher user fees that we see from this Government.

Indeed, that is what we saw in this Budget presented. This Doer government is nickel-and-diming Manitobans to death. It was a Progressive Conservative government that brought in Manitoba's balanced budget legislation as a first step to ensure government lived within its means. It was to ensure that our province was never again awash in red ink, to ensure that spendthrift governments like this Doer government do not spend more than they have. Unfortunately, Mr. Doer's NDP has been running a deficit for the last three years, and they have been getting away with it. They are living by the letter of the law, but not the spirit of the law. And now they have invoked a never-before-used clause in the balanced budget legislation to legally run a deficit.

We believe that governments ought to have adopted generally accepted accounting principles. That way the Government can be open and transparent with the people of Manitoba. We do not see

that from the Doer government, and we think that is very much unfortunate.

* (14:50)

The biggest problem that the Premier (Mr. Doer) has is that he has no plan to grow Manitoba's economy. Governments clearly must have a long-term strategy that sets out the direction that it is heading. A plan that identifies key challenges and charts a course to that destination, a responsible affordable plan to ensure that all Manitobans have the skills and training that they need to succeed, to create the jobs that Manitobans need and to provide meaningful tax relief that will make our province a wealth creator and a stimulator of economic activity.

Mr. Speaker, tax relief begins with eliminating the education tax off of residential property and farmland. That is the right thing to do because it will eliminate and reduce your tax bill by one half and put the responsibility and accountability for funding education on the provincial government, not on the backs of property owners.

We know on this side of the House that it is the entrepreneurs who are the job creators, not government. They are the ones who should be encouraged to create jobs and the economy, and create economic growth. We on this side of the House have every belief in their ability to do so. Unfortunately, just like it was during the former days of the Howard Pawley and now the Doer administration, the focus has returned to one of regulation and restriction, one of tax and spend. They have expanded the PST to apply to legal accounting and engineering services, services that are used heavily by Manitoba business. It is a new tax grab. It is called the entrepreneurial tax, and it is a signal from the Doer government that they are not interested in promoting business in Manitoba. Manitoba, under the Doer government, is not open for business. It is yet another anti-business action and another anti-business policy of this Doer government.

When you look at the fact that this Doer government is bringing in a project labour agreement on the floodway expansion, a project labour agreement that will add some \$65 million to the cost by forcing unionization on companies, by forcing non-union workers to have to pay union dues.

Why would we go that route? Why would we go the route of forcing people to pay union dues and

then in addition to the floodway expansion add another 7% provincial sales tax? I mean, in this Budget alone, what the Doer government has single-handedly done is said to any project that now exists in Manitoba it is now going to be driven up by some 7 percent, simply because this Government has a revenue problem and does not understand the importance of trying to create a business climate in the province of Manitoba.

Mr. Speaker, we should have heard from this Premier (Mr. Doer) that we should aim to become the small business capital of Canada. That is something that I would promote. It is my background, it is something that I understand. It is small business that creates the economic engine in the province of Manitoba. It is integral to the future of our success in Canada. Those entrepreneurs, those small business entrepreneurs and their employees, they are the real working class heroes in Manitoba. Through the development of our small business network, our entrepreneurs can flourish and prove to Canada and prove to the entire world that Manitoba is truly open for business. That is what is important to the future of Manitoba.

Economic growth does not stop at the Perimeter. Under the Doer government rural economic development is grinding to a halt. Tragically, the Doer government is failing our farm families. Today farmers are struggling through the BSE crisis. They are suffering because of the Doer government's inability to put a program in place for the farmers that actually works. When times are tough and when our farm families are struggling, government must be there.

But virtually not a word about our farmers, our producers or any of our rural and agricultural communities, we heard virtually nothing in this document yesterday.

For rural Manitoba to prosper, government must be a facilitator and a promoter of rural economic development and growth. Government must work with rural communities to develop an effective and successful strategy to promote sustainable development and diversification; to stabilize the employment base and stimulate job creation; to improve the availability of all services; to preserve special areas and protect critical natural resources; and to maintain and enhance our rural population base and reverse the loss of young people, something we have not

seen from this Government since they have become government in 1999.

This Budget does not provide any support for rural Manitoba. It is frighteningly quiet on any reference to our agriculture sector at all.

In terms of our core municipal and transportation systems, we are not only falling behind; we are literally falling apart. Mr. Speaker, Manitobans understand that transportation and infrastructure underpin our economic activities and sustain our quality of life. For too long governments have made decisions about where to spend money on roads, bridges and buildings and has been guided by politics. We need a better way to enhance, invest in, maintain our transportation and infrastructure assets. That is why we have called for the creation of a new transportation and infrastructure ministry and an arm's-length transportation agency to manage the priorities that would be shaped by government but in a businesslike, rational fashion not linked to location or politics, but to strategic need.

We will assure young Manitobans that they will not be living in a province asking them for new revenues to solve old problems, because our generation was not prepared to make the right decisions and those right investment decisions for the future.

We believe that the growth strategy must recognize and support Winnipeg and all of our towns and cities such as Brandon, Dauphin, Steinbach, Thompson and Winkler for what they are. They are major economic players in the province of Manitoba. They should be actively promoted to stimulate investment, competition and growth, because when our communities grow, all of Manitoba grows.

We understand, Mr. Speaker, that municipal governments, which are home to about 80 percent of Manitoba's population, need structure and new fiscal relationships with the two senior levels of government. We know that a new deal is necessary for Winnipeg and all our municipal governments, but it must be the right deal for all Manitobans.

When it comes to priorities there is nothing more important to Manitobans than their health care system. Being fiscally responsible means putting an end to the notion that we can fix our health care system by simply throwing more money at it. We

believe government should build a better health care system that allows you to see your doctor on a timely basis, that gives you the confidence that treatment essential to your physical or mental well-being will be there when you need it. If you need a CT scan or an MRI you should receive one.

You may have my assurance that those in our society, those who are most vulnerable, who are afflicted with mental illness, Mr. Speaker, will never be lost in the shuffle of priorities. You are not getting that from the Doer government because their ideology is controlling their thinking. Manitobans do not care who owns the sports medicine clinics. They do not care who owns the X-ray clinics or the walk-in clinics. What we care about is that we get timely access to excellent service, and that Manitoba Health pays for it.

The fact is, Mr. Speaker, we are frustrated by escalating health care costs and we are concerned about deteriorating services. Significant changes to the way health care is delivered are needed and government should not be afraid to make them.

* (15:00)

Mr. Speaker, just as you can walk into those privately owned X-ray clinics in your doctor's office, you present your Manitoba Health card, and you get the care that you need, Manitoba Health should pay for you to access timely, quality care in other privately owned health facilities. Our vision for health care is about being bold and innovative, about government making health care decisions that are in the best interests of patients and not in political futures.

Unlike the NDP, Mr. Speaker, our hands are not tied by the union bosses and we will not let ideology get in the way of making progress. We would not be heartless, as we know the Doer government is, and increase Pharmacare deductibles by 15 percent over the past three years. It is hurting our patients and the elderly, forcing seniors to choose between milk and medicine.

Mr. Speaker, I want to make the point again because I think we heard this in the House today. Governments have an opportunity to make decisions. They can choose to make tough decisions to try to improve the quality of life for Manitobans as a whole or they can simply choose the easy way out and

basically offload the tough decisions onto Manitobans. In this situation, it is clear. The Doer government is basically taking the easy way out and causing seniors on fixed income to try to figure out what decisions they should make. Is it medicine or milk? I think that is shameful and heartless of our Government to do that to the people of Manitoba.

Manitobans are tired of listening to glib NDP education announcements, Mr. Speaker. We have heard them all. It is more seven-second clips of an alleged increased funding laced with pontification encouraging the need for fiscal management. That is the pot calling the kettle black. Just as parents put their children first, government must do the same. We should give our students the resources, the best teachers, the best curriculum. That is what we need to give our students. Every child matters, every child can learn. We know our children will lift this province to incredible heights, but they must be given the tools to do so, and that means better resources for our teachers. We value the tremendous contribution our teachers make and we must do more to help them. Our teachers do not fail our children and we do not want to fail our teachers. We want to support them.

Once our young people are out of high school, it cannot stop there, Mr. Speaker. We must have high-quality post-secondary institutions that are affordable and accessible to all, and that means we must have results-oriented education policies. It is critical that our institutions are properly funded so that all Manitobans have the ability to get a quality education in the province of Manitoba. We have got to ensure and stand and make a statement that we will not allow our post-secondary institutions to crumble. We will not deny them the funding they need. We on this side of the House will ensure that our universities are funded properly, but we will make sure we monitor where they are spending their money.

That is important, that every Manitoban receives a quality education in Manitoba from an institution, Mr. Speaker, that is one that stands proud, that stands proud not only in Manitoba but that stands proud across Canada.

Mr. Speaker, one of government's most fundamental responsibilities is to protect citizens. Manitobans should not feel uneasy walking around their neighbourhoods, going downtown or anywhere else

in our province. They should not have to look over their shoulders. But they do.

Why? Because the Doer government has failed to make Manitoba a safe place, Mr. Speaker. We are now the murder capital of Canada. Sexual assault and other violent crimes are on the rise. Gang activity has become more frequent and more brutal, and dangerous criminals are let off with just a mere slap on the wrist.

We can do better, Mr. Speaker. We must do better. We understand and we know. It is a fact that the Hells Angels were set up in Manitoba right under this Premier's watch. That is a shame that the Hells Angels would come into Manitoba knowing full well that this Premier (Mr. Doer) was welcoming with open arms and not doing anything about it.

Mr. Speaker, that is a shame, because we would stand by our police and drive the Hells Angels out of Manitoba, not as this Premier did and allow them to set up shop in Manitoba. We want to make our province the safest in Canada, and it starts by government doing more than just talking about being tough on crime.

We would get tough on criminals, Mr. Speaker. If you break the law, you have to pay the price. Repeat offenders can say goodbye to our current revolving-door justice system, because we would slam it shut.

Our justice system would focus on protecting people, not criminals, as we have seen under the Doer government. Our justice system would focus on making our neighbourhoods, our communities, our province safer.

In the context of government, more costs, but better does not have to. This Premier, Mr. Speaker, had an opportunity to make Manitoba better but he failed. I think it is important that we look at what drives the economic growth of our province. When you notice that the debt of governments and taxation increase are results of government spending, they become very much a part of the problem.

The growth should be a competitive private sector with a well-managed public sector. But again, that is a choice that this Premier has chosen not to make. My vision for Manitoba is to have a sustained economic growth plan, one that creates more jobs,

particularly high-skilled, high-paying jobs, greater investment in capital and infrastructure, greater investment in research and development and infrastructure. But, most importantly, we should be investing in our people, not as this Premier has chosen to do.

Rather than invest in them, he is taxing them and that is not right. But that is a choice that this Premier made. Mr. Speaker, at the end of any budget, or at the end of any opportunity, one during a throne speech or a budget, you would hope you would bring policies and you would make decisions on a budget that ultimately would improve the quality of life for all Manitobans.

Again, Mr. Speaker, it is a choice that you make. This Premier chose not to do that. It is clear when you talk to members in Manitoba and the business community, when you talk to Manitobans who are entrepreneurs, Manitobans who want to make a difference. The Doer government, again, makes a choice. They choose to focus on the short term not the long term. So that is why business is very frustrated with this Premier and with this Government.

Excessive public spending and debt lead to exactly what we saw in the Budget yesterday, an increase in taxation. That is the result of a Premier who makes choices not to spend responsibly but to spend, spend, spend. What does it mean? It means that high taxes are what Manitobans are forced to pay.

We believe on this side of the House, Mr. Speaker, that fiscal responsibility is necessary for two major reasons. Increased spending creates a desire, and we saw this from this Government, to raise taxes. That is why fiscal responsibility is important. This Government and this Premier (Mr. Doer) had a choice, but he chose not to be fiscally responsible. He chose to raise taxes. The other choice, and why it is important to be fiscally responsible, is that interest costs in public debt take an ever-increasing share of public tax dollars. Those are dollars that could be better-used for health care, for education, or for infrastructure. Those are choices that a Premier of a province can make, but this Premier chose to add and tax, and show that he could not be fiscally responsible, that in fact he was going to tax Manitobans more.

* (15:10)

Mr. Speaker, I believe that this Premier had an opportunity to make Manitoba better but he failed. I know that Manitoba can be a leader amongst the provinces. We have the people, we have the talent and the potential to be a magnet to grow our economy, to attract new residents, to attract people to the province of Manitoba. In short, we have an opportunity for a new and exciting future, but for that to happen we cannot shy away from making political decisions that, in fact, become bold and innovative. That is what we did not see in this Budget yesterday.

Mr. Speaker, it is very clear that governments of the day have decisions to make. I repeat again, we heard from this Premier that he was not elected to raise taxes. Yet what did we see yesterday? We saw the fact that this First Minister brought in a budget that did what? Raise taxes. I believe that we can provide meaningful reform in the province of Manitoba by being bold and being innovative, not what we have seen from the Doer government, and that is the status quo. The Doer government has failed to provide any hope, any opportunity, any sense of vision for the people of Manitoba. The bottom line in all of this is that governments can be part of a solution or they can be part of the problem. This Government is the problem.

Therefore, Mr. Speaker, I move, seconded by the Member for Fort Whyte (Mr. Loewen),

THAT the motion be amended by deleting all the words after "House" and substituting the following:

therefore regrets this Budget ignores the present and future needs of Manitobans by:

- (a) failing to offer any vision or hope or to reflect the priorities of Manitobans;
- (b) failing to provide a long-term economic plan to grow the economy and create real and lasting jobs;
- (c) failing to provide a long-term tax reduction strategy that addresses the fact that middle-income Manitobans are now, under the Doer government, the highest taxed west of New Brunswick and our business taxes are not competitive;
- (d) failing to provide a sustainable provincial spending plan by introducing a budget with a spending/tax-cut ratio of 7 to 1;

(e) failing to commit to assume provincial constitutional responsibility to fund public education;

(f) failing to address the challenges in health care, including: providing a cardiac care system that meets the needs of Manitobans in a timely fashion, ending hallway medicine as promised, reducing waiting lists for diagnostic services including CT scans, MRIs and ultrasounds; and recruiting and retaining health care professionals;

(g) failing to address the need to have bold, innovative and meaningful reform in health care that would reduce waiting lists and would increase access to quality care;

(h) failing to protect seniors and low-income Manitobans by increasing the Pharmacare deductible by 5 percent for the third year in a row and introducing two new deductible levels; and

(i) failing to provide adequate supports to Manitoba's agricultural sector, especially those farm families struggling through the BSE crisis.

As a consequence, the Government has thereby lost the confidence of this House.

Mr. Speaker: It has been moved—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

It has been moved by the honourable Leader of the Official Opposition (Mr. Murray), seconded by the honourable Member for Fort Whyte (Mr. Loewen),

THAT the motion be amended by deleting all the words after "House" and substituting the following:

therefore regrets this Budget ignores the present and future needs of Manitobans by:

(a) failing to offer any vision or hope or to reflect—

An Honourable Member: Dispense.

Mr. Speaker: Dispense?

Some Honourable Members: No.

Mr. Speaker: Okay.

(a) failing to offer any vision or hope or to reflect the priorities of Manitobans;

(b) failing to provide a long-term economic plan to grow the economy and create real and lasting jobs;

(c) failing to provide a long-term tax reduction strategy that addresses the fact that middle-income Manitobans are now, under the Doer government, the highest taxed west of New Brunswick and our business taxes are not competitive;

(d) failing to provide a sustainable provincial spending plan by introducing a budget with a spending/tax-cut ratio of 7 to 1;

(e) failing to commit to assume provincial constitutional responsibility to fund public education;

(f) failing to address the challenges in health care, including: providing a cardiac care system that meets the needs of Manitobans in a timely fashion, ending hallway medicine as promised, reducing waiting lists for diagnostic services including CT scans, MRIs and ultrasounds; and recruiting and retaining health care professionals;

(g) failing to address the need to have bold, innovative and meaningful reform in health care that would reduce waiting lists and would increase access to quality care;

(h) failing to protect seniors and low-income Manitobans by increasing the Pharmacare deductible by 5 percent for the third year in a row and introducing two new deductible levels; and

(i) failing to provide adequate supports to Manitoba's agricultural sector, especially those farm families struggling through the BSE crisis.

As a consequence, the Government has thereby lost the confidence of this House and the people of Manitoba.

Hon. Steve Ashton (Minister of Water Stewardship): Mr. Speaker, it is always a pleasure to speak on the debate on the Budget, and it is, I think, always a good opportunity for us to put forward our different views politically in this House as members of the Legislature and as political parties.

I want to start with my remarks saying that I am in a bit of a state of shock here, because the speech from the Leader of the Opposition (Mr. Murray) probably has to be one of the shortest responses to a budget ever given by a leader of a political party. I do not recall a budget response by a leader of the Opposition that was so short and had, quite frankly, so little to say.

I am wondering, Mr. Speaker, now I do not know, I looked up in the gallery and I could have sworn I saw the Tory strategists, or at least one of them, running around—maybe this is part of the new strategy, but you can only come to two conclusions, I think. One is that the Opposition really does not have much to say, or they probably have a lot to say but they do not want to put it on the record.

Now, I want to run through quickly what they did put on the record, Mr. Speaker, because I think if anybody was to read the comments of the Leader of the Opposition and had any sense of what has happened politically in this province the last number of years, I think they would have had a really difficult time playing spot the leader.

I heard some reference there about health care. About the only thing the leader in his speech referred to is he said it does not really matter who owns the equipment in health care. Well, I think we know that is a buzzword for two-tier, privatized medicine. But you notice he did not come out and say that. I do not think this is a direct quote, but I took notes here, several. We love teachers, part of his speech. Play spot the leader here. He talked about concerns about crumbling universities. Crumbling universities. He went on to talk about how the Hells Angels had appeared in this province and it was creating difficulties.

I just want to give you sort of the rest of the speech. Actually, the summary probably will take longer than the speech, it was such a short speech. He then went on to talk about excessive spending, only in certain areas there was not enough spending. The Government had to make decisions, but he did

not exactly outline what those decisions were. Then with some brief references to hope, vision and then the tabling of the motion, that was it. In fact, I think the motion from the Leader of the Opposition was almost longer than the speech itself.

* (15:20)

Let us maybe move from spot the leader in this House to indicating perhaps, I will maybe argue it from both sides here, because there are some merits probably to both sides. Let us start with why the Leader of the Opposition would give such a short speech and why he would put issues like this on the record.

Well, let us start with health care and let us start with 1999. I know members opposite are still fighting the 1999 election. You know, the Health critic gets up on almost a daily basis and goes back to the 1999 election. I have no problem using that as the benchmark, because let us be up front. After 11 years of Tory government in 1999, there were huge problems in our health care system.

Now, let us start with a couple of very obvious ones in terms of capital. You remember how many times the Conservatives went and promised capital improvements around this province? In Brandon they promised the Brandon General Hospital seven times, the upgrading of the Brandon General Hospital.

In Thompson we were waiting for a personal care home. Even though it was never in the budget, it was hinted that maybe, just maybe, eventually, then I would get around to talking about a personal care home. I could take you around the province, the Health Sciences Centre. I can tell you that in each and every case this was a government when they were in power, the Conservatives, who had a great track record in terms of health care, of promising seven times Brandon General Hospital improvements and never once delivering it.

What have they done in terms of nurses and doctors? They cut back the admission of the number of doctors to medical school. That was one of their moves in the early 1990s. I was Health critic at the time and questioned it. They did that. Mr. Speaker, they dramatically cut back on the number of nurses that were trained. They went and fired nurses. And can anyone forget Connie Curran? Can anyone forget the attempts to privatize home care?

Can anyone forget many of the ill-fated initiatives under the Conservatives when they were in power? Now, okay. Is that maybe a reason why the Leader of the Opposition's (Mr. Murray) speech on health care had about two minutes? Two minutes? This is the Leader of the Opposition, someone who nominally wants to be Premier in this province, wants to put forward a different vision for his party, and he spent two minutes on health care.

I have not gotten to the best part yet. It is education. I mention about the Leader of the Opposition with his kind of newfound rhetoric about we love teachers. What was the relationship with teachers in the 1990s? Can anybody perhaps recall what the Conservatives did in terms of Bill 42?

An Honourable Member: 22.

Mr. Ashton: Bill 22. Pardon me. There are so many bills actually that they brought in, it is hard to keep track of, that really were negative in terms of education. But they went after the relationship that had been developed with teachers for many years, intervened directly.

Let us not talk about this hug-a-teacher policy for the Conservatives opposite. Give me a break. But what did they do to the education system generally? Why again was there only a very short reference in this very short speech to education? Well, what happened in terms of operating grants? I thought our Minister of Education (Mr. Bjornson) kind of summed it up properly. It was like watching—well, I was going to say the March weather forecast on the weather channel, but the way the weather has been this year, you never know. It could be May as well.

But you know, minus 2, minus 2, minus—oh, by the way, there was an increase. I think it was just before the election. I will tell you what it meant to school districts throughout the province: increases in property taxes of over 60 percent. While they were doing this they cut the property tax credit, okay? They cut the property tax credit. My community of Thompson, the cuts to education in the 1990s, when the Tories were in government, was a minus 8 percent, not in real terms, this is actual dollar cuts.

What has the increase been under the NDP government? Mr. Speaker, 20 percent-plus in the past five years. So let us not talk about education funding. Let us talk about capital. Well, once again,

as was pointed out by our Minister of Education, the Conservatives, compared to the NDP, let us talk about NDP action versus Tory words here. We have put in more than double the capital investment into our school system, fixing our schools, building new schools, than the Conservatives did.

Now, I want to get to post-secondary education, because, you know, remember I made reference to this phrase that the Leader of the Opposition talked about, crumbling universities? We had the roof literally falling apart in the engineering building. You know, they were letting our universities literally rot at the core. What we did is we put in place a provincial commitment to match private-sector commitment that in this case lead to dramatic private-sector donations to the point where we are now fixing our universities. So we invested in infrastructure.

How about our community colleges? I mean, take a drive down William street. Look at Red River College. It was an NDP government that took the reality of our college system and recognized that we need to have the capital facilities for Red River College and put in place one of the best examples, I think, of innovative building use in the country, providing opportunity for our students.

Well, the Member for Fort Whyte (Mr. Loewen) says "Where do all the students live?" You know what, I must admit, they live in a lot more places than under the Tories, because we have increased community college enrolments by in excess of 30 percent and university enrolments by as much as 28 percent, that in five years under the NDP.

But did you notice the Leader of the Opposition did not have in his speech or in his resolution any reference to the tuition freeze? I am proud of the fact that once again this NDP government has frozen tuitions, making university more accessible to young people in this province.

I notice that the Youth critic for the Opposition did not talk about that in any of her questions. Some youth strategy from the Tories, hit students with increased tuitions like they have every time they have been in government.

Well, it is about lack of vision here. Do you notice there was no reference to the University College of the North? I wonder why. In the election

the Leader of the Opposition came out with the most unsustainable, ridiculous platform I think anyone had heard of. Manitobans I talked to said it does not add up. I think everybody knew it did not add up. But you remember what the Leader of the Opposition came up with in terms of a solution to all his budgetary woes in the election. He was going to cut one thing. Guess where it was? It was in northern Manitoba.

You know what? The Leader of the Opposition, by the way, did not even visit northern Manitoba in the election. He did not have the courage to come and announce this in the North. He announced that they were going to cut the University College of the North. That was going to somehow pay for all their campaign promises. Well, you know what? Conveniently when we brought in the legislation this session, certainly one of my proudest moments as a northern MLA and as part of this Government, all of a sudden now the Leader of the Opposition is hedging. I think he has gotten some of the Liberal leader's fudge from last year. He is saying, well, if it does not involve any expenditures and bricks and mortar then maybe it is not a problem.

Well, stale fudge, I think, as the Member for Inkster (Mr. Lamoureux) points out. *[interjection]* Oh, he did not say stale. Rotten fudge, I do not know.

He came out and he said, well, if it did not really cost any money, then he was not really going to cut it.

The plan we brought in for the University College of the North was exactly the same plan that we announced in the election, exactly the same plan that has been discussed by northerners, that has been our dream and our vision for decades and now is going to be implemented by an NDP government. That is why he did not reference to University College of the North, because if they were in government it never would have happened and it never will happen, only under the NDP.

The Member for Fort Whyte (Mr. Loewen) says it never will happen. Let us see where they stand when it comes to the vote in terms of the University College of the North. I challenge them to vote for the future of northern Manitoba.

We will give the Member for Fort Whyte some credit. He announced grandiosely in Question Period

the other day that he has actually visited Thompson. That is a sign of how much connection they have with northern Manitoba. They have individual MLAs announce that they visited the North like it is some sort of a royal visit or something. I tell you, Mr. Speaker, the Member for Fort Whyte was there. I give him credit. It is true. Maybe he can give a road map to his leader to show him where Thompson, Manitoba is and take a drive up Highway 6.

Mr. Speaker, speaking of highways, I am looking forward to open highways. Did you notice any reference in the Leader of the Opposition's (Mr. Murray) speech to highways? Not a word. Zero. This leader, we know he does not know where northern Manitoba is. I suspect he is having some difficulty with rural Manitoba because anybody who put forward the idea there is some alternative to a government surely has to recognize the importance of highways to rural and northern Manitoba.

I want the Member for Springfield (Mr. Schuler) to stand and vote for this project that will put in place the northeast Perimeter, Mr. Speaker. I want to see where he stands.

* (15:30)

Now, Mr. Speaker, my view is that NDP words speak louder. In this case, I want to go on to our record on highways and compare it to their record. I want to compare. Would there be anybody in this House who would deny that this has been a tough budget year? I think it is generally understood to be a tough budget year.

Ms. Bonnie Korzeniowski, Acting Speaker, in the Chair

I want to compare this tough budget year in terms of highways and the last tough budget year about 1997, I believe. I want to tell you how much money the Tories spent that year on our highway capital budget. I want to give you the benchmark. We are spending \$120 million a year, five years in a row. You know what they spent in 1997: \$93 million? We are already \$27 million more than that. We are adding another—

Some Honourable Members: Oh, oh.

The Acting Speaker (Ms. Korzeniowski): Order.

Mr. Ashton: It could be an election budget to tell you the truth in terms of highways. We are writing another \$10 million in terms of this Budget. We are going up another \$20 million total, Madam Acting Speaker. We are moving to \$140 million. Compare that to the Tory record of \$93 million.

I want to put on the record there is not any Tory who has any credibility if they get up in the House and demand that this highway be fixed or that highway be fixed, because what we have done in this Budget, Madam Acting Speaker, we have recognized and we have been up front with Manitobans in terms of what we are going to do, in terms of registrations, that we need to fix our highways. We are going to do it and we are going to a \$140 million capital budget, the highest in the history of this province.

I want to stress, by the way, just a little footnote on that. One of the things the Tories did in that year is they got money from the federal government and I will tell you what they did. They pocketed it. They cut their budget accordingly. That is why it was such a low amount. We put on the record, Madam Acting Speaker, in legislation, that we will pass on any federal money whether it be to municipalities or to a highway system. We have done that.

Now I want to talk about the floodway as well, Madam Acting Speaker, not that I have not had some opportunity recently in Question Period to talk about the floodway. I am actually glad that members opposite have sort of understood we are going to build a floodway. I say sort of, because they have tabled I forget how many petitions, but there is a grand total of 84 names on those petitions all of which say that the floodway may be built.

This is not a small project. This is not something you could miss in a budget. This is one of the largest earthworks that has ever been constructed. I think it is visible from satellite imagery. One of the only such non-natural occurrences. While the Member for Springfield (Mr. Schuler) probably would not notice it as he drove across his constituency into the city, but I will tell you the floodway is going to be one of the largest projects of this decade and, unlike the Tories who want to play politics with the floodway, we are going to build it to protect Winnipeggers and to provide added protection to other rural Manitobans. That is our commitment. It has taken an NDP government.

I want to remind members opposite that I thought the Minister of Transportation and Government Services (Mr. Lemieux) summed it up well, and I put this on the record the other day. You want to see the difference between governments on this issue, Mr. Speaker, remember what Premier Filmon said. Remember his comments about people living in a flood plain. It is shameful. You know what? We are acting to protect those people in a flood plain. That is the NDP difference over the Conservatives.

So I suspect that there is something really—well am I suspecting too much here, that the Tories really have a strategy? Let us maybe consider it. They want to stay away from the record, we know that. They want to pretend that it is a different bunch. It is not really the same Conservatives, the same Leader of the Opposition that was involved in organizing their campaign, who worked with Brian Mulroney. Remember him? They want to get away from that. You know what I suspect, Mr. Speaker? I think we are increasingly seeing what their real agenda is. They try and hide it by keeping their speeches short. They try to hide it by having virtually no alternative, but I think what we are seeing here is that this Conservative Party—and I hate to even put it in this context because you know what? The previous government, I think, was pretty right-wing. But I think this is a party that has made a dramatic shift in terms of its traditional political views. As much as they were right-wing before, they are now into extreme right-wing territory.

I want to give you some examples. On health care, there was a time in this country where we had a consensus on medicare. We had a consensus. We had the New Democrats, the CCF Party in Saskatchewan and we were proud of that, Mr. Speaker, a federal Liberal government and we had a Conservative government in the 1960s that brought in medicare. I remember when Brian Mulroney was actually talking about maintaining 50% support for medicare back in the 1980s. So there was a consensus. One of the key things we learned from the experience of health care before medicare was that it did not work when it was profit-based.

Did you hear the Leader of the Opposition almost let it out of the bag, right? What does he mean by it does not matter who owns the system. How far do you go with that? Private hospitals? Do you want to go the Alberta route? Do we want to go the U.S. route, where the entire system is privately

run, where in fact more than 40 million Americans do not have health care insurance? That is their true agenda. Let us not kid ourselves, that is their true agenda.

On education, they kind of let the cat out of the bag when they opposed our tuition freeze. Look at right-wing governments across the country. Look at history here in this province. I remember the Lyon government raised tuitions 20 percent one year. They had a quick press release out. What a sum total of their different economic and education policies, right? To say they are going to raise tuitions. But, Mr. Speaker, they are going to try and keep that down because I think they know that many people out there, many people of limited incomes, many middle-class families rely on inexpensive tuitions, the affordability factor, to send their kids to school. I must admit I have got a conflict, having two kids at university. I know it has made a difference for them in my own family. It has made a difference for a lot of low and middle income families. So that is their position on education in terms of post-secondary.

Remember what they said in the election about our education system? They were going to go back to the basics, sort of back to what, the sort of 1950s' view of education? They wanted to take out non-essentials like what, band, phys. ed? I started running through the list. What do they consider important in an education system today? You know, we in Thompson have a very good band program. We have got some very good physical education programs. We also have some very good technical vocational programs. We also have many other programs that were put in place. I compare when I graduated from R.D. Parker Collegiate and I compare the school system today, and you know as much as it was a good school system then, it is a better school system today. All their rhetoric about hug a teacher from Tories now, you know new-found friends of teachers, does not change the fact that when they were in government they cut public education and they have shown no signs of any commitment to public education in Opposition. None, zero. They have never once supported the significant reinvestment we made in terms of education.

I mentioned about infrastructure. Mr. Speaker, we are an infrastructure government. We are building the True North, now the MTS Centre, in partnership with other levels of government, the floodway. Wuskwatim is now before the Clean

Environment Commission, a \$900-million project that is being put forward.

On highways we are seeing historic levels of investment in terms of highways, and we are just beginning to deal in my own department with some of the challenges left by what happened in terms of water stewardship, Madam Acting Speaker. The complete and collective, our drainage system in particular and the complete absence of any focus on water quality and water management issues. We are doing that as a government. But you know, we know other areas we are leaving out as well.

It is interesting, you know, many people have not forgotten what happened to MTS in 1996. Does anybody believe, Madam Acting Speaker, when the Leader of the Opposition (Mr. Murray) stands and says in any of these debates, the ruling body, that his real agenda is not to privatize Manitoba Hydro? Does anybody really doubt that? Why would they bring out the kind of promises they had in the election? The massive promises, when they know the only way they could achieve that is through selling off MTS.

Well, you know what? I could run through numerous other examples of this kind of extreme rhetoric, but I think probably the floodway itself sums it up. We have heard, day after day, the kind of exaggerated rhetoric from members opposite, Madam Acting Speaker, which ignores the fact that the kind of agreements that we are talking about have been in place for the Confederation Bridge, been in place with Manitoba Hydro. I always find it ironic when members opposite talk about labour relations and immediately engage in attacking the labour movement, union bosses I think is the phrase they use, talk about outmoded rhetoric.

*(15:40)

But let us not forget in the election, they proposed a platform which is called right-to-work legislation. The only thing right about it is right wing. That does not exist in any other jurisdiction except, I think, for Alberta, and is confined in the U.S. even in many southern U.S. states that have terrible records in terms of relations, something that has been an underpinning of labour relations law since the 1940s. I can tell you that in this society, one of the differences between us and them, I believe, is that we recognize that there are differences, and I

have acknowledged that there are people that have different views in terms of the project agreements. But I can tell you, as the contractors are at the table, stakeholders, and should be, so should the unions, so should the other representatives.

The interests of all Manitobans need to be represented and I will tell you, when we in the year 2004 can acknowledge that the business community and its family members and its employees are part of our economy and part of our community, that unions and union members are part of our community, our community is a diverse community, that our real interest is to try and bring all those Manitobans together. That is our agenda.

They are the ones, anytime even the words labour relations are uttered, they are out banging the drum with the same kind of stale, dated political rhetoric that we have heard time and time again. But, you know, Madam Acting Speaker, it is not just in those areas.

What is their true position, I would ask, on relationships with our Aboriginal peoples, Madam Acting Speaker? Because, you know what, I have noticed time and time when issues come up in terms of Aboriginal issues in this House, often members opposite push one side of the agenda. I look at the fishing issues and I look at the exemplary work that was done by my colleague, the former Minister of Conservation, Minister of Aboriginal Affairs (Mr. Lathlin), in bringing together in Lake Dauphin, Lake of the Prairies, aided by the work of the now-Minister of Conservation (Mr. Struthers), in bringing together Aboriginal people, sports fishers, members of communities, to solve problems. That was in a time when members opposite were out pushing a different more divisive kind of agenda.

Madam Acting Speaker, this, I think, really speaks to where the Conservatives are at in this debate. While we saw, I think, the shortest speech from a Leader of the Opposition (Mr. Murray), certainly in the last twenty years, and one I am sure is probably one of the shortest on record—because, you know what? I actually do believe they have an agenda. But, you know, it is an agenda they do not want to share with Manitobans. It is an agenda that they had to share to some extent when the election rolled around. But it is an agenda that just does not add up.

You know, members opposite get up and say that we have a spending problem, Madam Acting Speaker. On what? On Pharmacare? They then attack us because of the moves that we have made this time to make it sustainable, even though we have increased spending from \$70 million to over \$170 million in terms of Pharmacare. We have increased it, not cut it.

They talk about dealing with health care issues. You know, I think we should not just look at their record. What did they promise in the election for funding for health care? Did they promise more than this Government was spending? What did they offer? Even in the range? They promised one percent. That would not even pay for the increased wages of health care workers that are an important part of the system. So, you know what? The reality is, when they have had to expose their agenda, Madam Acting Speaker, you know what has happened? It is called the 1999 election, 11 years of Tory government and it is called the 2003 election in which they came out with some of the most irresponsible promises and probably some of the most right-wing policies that we have seen in this province for some time.

Madam Acting Speaker, I want to put on the record that this Government is not afraid to put forward its agenda. We were not afraid in 1999; we are not afraid in 2004. I want to acknowledge, on the record, that this has been a difficult budget, and indeed we have seen a difference. Unlike members opposite, we did not cut Aboriginal people, we did not cut the North, we did not cut the highways budget and how that impacts insurance of rural Manitobans. We did not cut programs for the poor in this province. In fact, we are putting more resources in, and we are recognizing through regular increases in the minimum wage, the fact that we now have a \$7 minimum wage in this province, that does make a difference.

We have not done what they did in difficult times. Madam Acting Speaker, I think our approach is responsible and balanced. In fact, our Budget is revenue neutral overall, and I recognize there will be some additional charges in place, but on the other hand, we have also decreased our overall income taxes, our corporate taxes and our business taxes in keeping with our commitments both in 1999 and in the year 2003.

So it is a balanced approach, and you know what, Madam Acting Speaker, I really believe it is an approach that does reflect the fact that, despite the fact that we are going through some difficult times, things are looking much better in this province. They have for a long time.

I can talk about my own community, Madam Acting Speaker. You know, right now the housing market is booming for the first time in many years. There is a real sense of hope and optimism, and it is not just because of Inco, but that is a huge part of it because of the health of the nickel economy. It is because people see hope in Wuskwatim, Madam Acting Speaker, for example, hydro development. They see hope in terms of the University College of the North. They see hope in the fact that we are soon going to be having the first personal care home in the history of Thompson. That is just Thompson.

The same hope you will see in Nelson House, a community I represent, that is working to be in partnership on Wuskwatim. The communities in Split Lake, in York Landing and in terms of the War Lake Band which are also working.

I want to stress, Madam Acting Speaker, that in my area people sense that optimism. How about in the city of Winnipeg? Look around you. I mean, have you ever seen a housing market quite like this in the city of Winnipeg? You go to the suburbs in this city, you see it. You go to the inner city, you see it. Houses that were selling for \$10,000 a few years ago now have a value. So there are signs of hope.

In rural Manitoba, despite the difficulties that were faced and we backed up rural Manitoba, Madam Acting Speaker, when this time around, when it came to the BSE, we did not take the approach of the Member for Emerson (Mr. Penner) who would have run a deficit. We kept a balanced budget under the balanced budget legislation, and we provided support for our farmers.

So, even though it is a tough year in terms of provincial finances, we have had to make some tough decisions, we have not done it at the expense of one region or another, one sector of the economy or another, or one part of our society or another.

We are trying to work with all Manitobans, Madam Acting Speaker, and I think that is why you saw so little put forth by the Leader of the

Opposition (Mr. Murray) because, quite frankly, they have very little to say. That is why I strongly oppose their amendment and proudly stand today to support our Budget, a budget of hope, a budget of vision for this province.

Mr. Ron Schuler (Springfield): It again brings me great pleasure to put some comments on the record about the Budget that has just been presented to the province of Manitoba.

I do not necessarily go along with my colleague who just spoke. I do not believe that volume makes up for content, so I will just give content, and I will spare the House the volume.

In political circles there are many quotes that have been developed over the years. I am sure we are all familiar with "I have a dream" from Martin Luther King. We have the quote "Ask not what your country can do for you but what you can do for your country," and that is, of course, John F. Kennedy. We have a new one, a new quote that will go down in history in political circles. The quote is "We did not get elected to raise taxes." That will eventually become a moniker or a mantra, not just in Manitoba, but it will become one of those monikers that will be quoted for years to come. It is what I would call a Doer governmentism. Based on that quote, what we have seen in this Government is its exact opposite. We have seen a budget that is one of the most severe taxing budgets that we have seen since the Howard Pawley administration and perhaps even beyond that.

What Manitobans were looking for were probably two things in this Budget: vision and trust. Alas, neither of those has been provided in the Budget. Communities look for government to do the right thing. Projects are needed, some more urgently than others. What it does is, it comes down to a matter of priority. What are the real pressing priorities for a jurisdiction, in this case for the province of Manitoba?

I would like to focus on one in particular. Several speakers have referenced it already. I would like to quote from Hansard from the Minister of Finance's speech in which he said during his budget speech: The twinning of the Perimeter Highway, northeast of Winnipeg, will proceed over the next three years.

Clearly this is a highway that has an appalling record. We have not seen a severe winter like we saw

in the last winter—a lot of ice, a lot of problems with it. In fact, there are two of my constituents who unfortunately, because of the conditions on the road, lost their lives on it. I reference Scott Wilson, who was 28. He was killed October 18, 2003. As well, we have Cristin Braun, who was 23, on her way to university.

* (15:50)

We have called on the continuation of the development of twinning this highway, and the Minister of Finance (Mr. Selinger) goes on record saying we will proceed over the next three years. It was not even 24 hours later, and already we can see where once this Government gets its spin in the media, gets its little blip, already the backpedalling and the changing of the intent is in place. Today there was a press conference, in which something this Government does beyond anything that any other government has ever been able to do and that is spin. It is the spin factory. It is amazing how they can take very little and make it sound a lot.

So today there was an announcement coming from the Minister of Finance's speech that this would be a three-year project, and the announcement reads, and I read from the minister of highways' press release:

The project will see the 16-kilometre stretch of the Perimeter Highway, PTH 101, upgraded to four lanes over the next five years; not three years, five years. In fact, on the last parts of it there is even a qualifier. The northeast link of two lanes from PTH 15 to PTH 59 was constructed in the mid-1990s and the expansion to four lanes is expected, and there is the code word, expected, to be completed by 2009.

In fact this year there is a total commitment of \$5 million. A substantial highway project, it was substantial enough for the Minister of Finance (Mr. Selinger) to have mentioned, is so far in the distance that its completion date is somewhere after the next provincial election.

Because if you add five years on the maximum that a government can go, onto 2003, that puts the next election somewhere in 2008 and the projected completion date is not until 2009. My question to the Government is, first of all: Why mislead, within 24 hours from what the Minister of Finance says to what the minister of highways says? Why mislead the

public? Why jerk people's chains like this? I have spoken to the families involved and they are just floored by the fact that their children have died on these highways.

What does the Government do? They do this cheap, cheap little petty politics of misleading Manitobans on such a serious issue. It would have been better off if the Minister of Finance would have said, sometime in the next 10 years we will see it as a priority.

You know what? That we can live with. Okay, fine, so you recognize that it is there, but it probably is not on the radar screen for the next while. But to go out there and hold a press conference and then mention that sometime, perhaps maybe if they get around to it, by 2009 it might be completed.

That, by the way, is exactly the premise of this Budget. It is about spin, it is not about fact. It is about spin, it is not about vision. It is about spin and has nothing to do with trust. Based on this dishonesty, I will say right up front, I for one will not be supporting this Budget. I will not support a budget that says one thing one day and within 24 hours already it has been pulled off the table.

This, by the way, is so dishonest, I will make sure that this is sent out into my community that they know how dishonest this Government is that within 24 hours, already the story has changed. This is the kind of thing that is so, so galling by this Government and it is what makes Manitobans so unhappy with this particular government.

It is very unfortunate that there is clearly no intention of dealing with the twinning of the highway. The only intention is that the Government gets spin out of it. That is all that announcement was. Shame on the Government. Shame on them.

There is another project that the Government is dealing with, a project that started by Duff Roblin when he saw that the province needed serious flood protection and went and built the Manitoba floodway. In 1997, we had the flood of the century. If it would not have been for the floodway, I can say for one, I and my family would have been wiped out. Our home would have been lost. We were in Fraser's Grove.

In fact, I went and I bought one of those beautiful books, it was put out by the *Winnipeg Free*

Press, and I took a picture of my two children. At that time we had two little children. I took a picture and I went and I saw Mr. Roblin, and I asked him if he would sign the book and I showed him the picture. I said if it would not have been for you, our house would have been under water. I think maybe the chimney would have been visible.

I thanked him for it, and I took the opportunity and I said would you be so kind to sign the book so that my children, who are too young yet to realize the greatness of what you did, will have something to remember you by. It was so bad in the community that I lived in at that time that we actually started to move furniture.

We moved our piano out of the home and we approached a church that we thought would be on safe, high ground. We asked the church if we could store our piano at the church, and they were kind enough and I know other people were starting to approach various organizations saying, listen, can we store this or that or the other.

In fact, on the night before, or the night, right in the middle of the flood of the century, we left a home that we were sandbagging, my wife and I, it was midnight and we started to drive away and my wife turned to me and she said, "Ron, I think I am in labour." By four o'clock that next morning, Stefan was born.

It was very unnerving because the day the baby came home, my friends showed up and we moved all our possessions out of the basement to upstairs and we did not know if the house would be flooded or not. Because of the vision of a Duff Roblin, and because of his floodway, we were not flooded.

The realization after '97 was that the floodway, as good as it was, needed improvement. Ideas that were being discussed pre-1999 election were continued under this current government, and I think all Manitobans understand that Duff Roblin's floodway must be improved, that we have to look at making it a better floodway and a project basically endorsed by all Manitobans.

I mean, a lot of excitement, this is a good opportunity. The federal government sees this as being a priority, a good opportunity to build our industries, to build our local contractors. Basically, they are going to have to buy more equipment

because there are commitments that have been made, and commitments have to be kept over the next five years so new equipment would be purchased.

What does this Government do? It looks at the golden goose that is laying these golden eggs and basically slaughters the goose. That is a typical NDP way of dealing with things. They came up with the forced unionization, something that will add up to \$65 million to the cost. I say to this House: Initially the project was heralded as a \$64-million project. Oh, no, no, no, we are going to have to revise those figures, \$660 million. Now it is probably up in around the \$700-million range. I suspect by the time this Government is done it is going to be way up there, but it is going to be on budget and on time. It is just that the budget is going to be a moving target.

Clearly, with forced unionization, you have to add that \$65 million to it. Now we have in the Budget an added cost for the floodway, the largest project to face our province in the foreseeable future. Taxes on engineering, architecture, legal fees, all of those things that we are going to need to make the floodway project proceed, the Government is now going to charge PST. I guess the federal government will want to know if its share is going to be taxed as well because of what the province has just done.

So now they have added another 7 percent on to the cost of the floodway. That is exactly how this Government, how the NDP, runs things. You finally get a project right, and then what you do is you kill it. You just keep adding more and more and more costs to it. The taxpayer, in the end it is always the same taxpayer, it is not like taxpayers in Texas are somehow going to pay for this. It is the taxpayer of Manitoba. It does not matter if you take it out of one pocket or if you take it out of the other pocket. It is still the same taxpayer. It is just going to add more and more to the cost of a project, a project that we need.

*(16:00)

As I mentioned, we used to have a home in Fraser's Grove, It was so unnerving not knowing what was going to happen. Were the gates going to hold? Was this going to be strong enough? We had the discussion that if we had to flee our home and we were given an hour's notice, what would we take with us? We actually set up an area of the house that those were the items that we would move into the

vehicle and flee with. Just to go back to that, I remember we brought Stefan home, and we moved all our stuff out of the basement. Here we sit with a new baby, and our world was in turmoil. We went to bed that night, obviously exhausted. We had just seen an addition to the family, and there was a tap at the window. The army was already out sandbagging Kildonan Drive. It was very unnerving for anybody who lived in those communities.

To do an expansion of the floodway, to give us the added protection, clearly the right thing to do. Forcing a union on it because of hard, left-wing ideology is just appalling for anybody who went through that experience. For all my neighbours and my friends and people that I know in the Fraser's Grove area, all of those individuals who would be between Henderson Highway and the river and Main Street, in the end, those are the communities that would have been sacrificed because Henderson and Main Street would have been areas where obviously you would have had to start trying to fight if the floodway had not held.

For those people, this is not about ideology. This is not about paying off friends. This is about doing the right thing, doing it at as good a cost as possible, and getting the job done. It is not about forcing unionization on people. It is not about the Government making more money off of charging PST on anything and everything that moves at the floodway.

I think Manitobans are shocked. I had the opportunity to spend a bit of time in Anola at a seniors luncheon, and what is happening to seniors and their medicines, I can tell this House, absolute dismay. Often people will come up and raise different issues, more community issues. This is probably the first time that I have gone out into my community after a budget and universally had senior citizen after senior citizen come up and say, "What is going on? Why my medication?"

One gentleman came up and spoke to me and he said he is at about \$2,000, and this is going to be again a burden for him and his family. In the end it is the families that have to pay for these kinds of things.

The Government has gone through, whether it is education, trying to muddy the water, trying to make it very complicated for people to understand how the whole system is going to work, but in the end it is

just going to cost the taxpayer more money. In the end this is about more taxes, more revenue for government, and on the other end no reducing of expenditures.

I have stated before that because of the kind of dishonesty that we have seen with the twinning of 59, with the date becoming a moving target not even 24 hours after the Government brought down the Budget, that I for one cannot support this Budget. I for one will not support such a dishonest document that is trying to be misleading, trying to be cute by half, trying to hide things, trying to not show actually what it is all about. Oh, yes, we recognize there are problems with the twinning of 59, we will get right on it by 2009 if you are lucky, that kind of dishonesty, as I said from the beginning.

I believe Manitobans were looking for vision and they were looking for trust. These days trust is a capital that is very, very scarce to find in politics, and that is what Manitobans wanted.

You know what, if there was not going to be a commitment made to something, then that should have been stated very clearly. Perhaps in the next 10 years it will be a priority, not saying in the speech in the next three years, and then going out and saying not till 2009, after the next provincial election maybe.

Based on that, I would like to spend a bit more time dealing with even the kind of taxes that are going to be levied against middle income. There are various ways that you judge a modern society, education being one, how much post-secondary education. Another one, Madam Acting Speaker, is the size and how governments treat its middle class. Again what we see is that this Government is taking a clear attack on the middle class. In fact, when it comes to middle-income Manitobans, \$40,000 to \$60,000, they are the highest taxed west of New Brunswick. That bodes very, very poorly for our middle class here in Manitoba.

We know that families are struggling. We know that with this Government's brutal raising of education taxes on property, forcing school divisions to raise taxes way and beyond anything we have historically ever seen. We now see them attacking their Manitoba Public Insurance Corporation. It is déjà vu all over again. This is Howard Pawley, MPI days coming right back at us all again. It took 10

hard, long years to bring those rates back down to where they should be, where we had a corporation that had a sizable contingency fund, and now that is all going to be wiped out by this Government. I can just see how the rates are going to keep going up.

Again, who is it going to hit? It is going to hit those middle-class Manitobans who are the highest taxed by this Government who are now going to be the ones who are going to be most affected, because it is those individuals who, because of governments like the Doer government, are forced to have two-income families, have to have two vehicles, now are going to pay more fees for it, going to pay more for our licences, more fees for any time you want to go and have your will changed, any time you want to do a real estate transaction.

You know, right now in North America and across the world, because of the high-tech meltdown in the stock market, we are seeing that people are investing more in real estate. That seems to be a really safe investment. We see a very strong housing market. So what is happening? This Government goes quickly and they are going to attack exactly where the middle class is wanting to invest its money, in housing. They are going to go after architects' fees, legal fees, engineering fees, so that exactly the place where we have the most success is exactly where the Government is going to tax the most. That is where they are going to tax people another 7% increase on any kind of fee when you want to build a house or you want to buy a house.

That is so shameful. This is a budget that undermines and attacks Manitobans. It does not matter if you are a senior citizen on a fixed income. It does not matter if you are a middle-income, middle-class Manitoban.

We have heard that this Government has introduced over \$90 million in new taxes. There is almost \$7 in new spending for every \$1 of tax cuts. I had somebody say to me this morning, you know what, it is not just about paying a lot of taxes, because in certain respects, everybody has to pay taxes.

It does not matter where you are globally, but people really object to, and that is what someone said to me this morning at the wellness centre, said what I do not like is the fact that I am getting less for my tax dollar. I am not getting value for my dollar.

So what we are seeing is one of the most substantial, one of the largest increases we have seen in decades since the Howard Pawley administration; another \$90 million in tax increases and less services. In fact, you are going to get worse services for it. You get more spin for it.

For instance, the twinning of the Perimeter from 59 to 15. If there would have been real honesty and real honesty that it will be built in three years and they would have stuck with it, you know what, you would go out to your community and say, I do not like the taxes, I have never liked raising of taxes; however, on the other side of the balance sheet, the Government is going to do something with the twinning of the Perimeter.

We cannot even say that because now the Government has said, not until 2009, maybe after the next election, will we see anything done with the Perimeter. That kind of dishonesty that is so inbred in this Budget, it just page by page springs up that why would Manitobans think, okay, I am paying \$90 million more money. They are not getting any more value for their dollar.

* (16:10)

In fact, they are going to get less value for their dollar. This is a government that has such a spending problem that they have to go after the middle class. They are going to attack our seniors on fixed incomes. They are going to attack those individuals who can afford it the least. I think that there is not a member of this House who, once he or she looks through this Budget, can with any integrity vote for this Budget.

I would like to point out to this House the diesel tax. What a shameful, shameful thing to have done. We once were a transportation hub, and since this Government has gotten in, they have chipped away at that and chipped away at that, because certainly this NDP government would not want to be known for strong industry.

If there is not an attack on an industry like this, I do not know what there is. This is an absolute frontal attack on the transportation industry unlike any other. I mean, you would think you would look at an industry and say, you know what, for instance whenever I travel, people ask me where am I from, and I always tell them, I am in the geographic centre of North America.

You always get their interest. They go, where is that? Winnipeg, Canada. Basically the geographic centre of North America. It makes us a perfect spot for a transportation hub, and what does the Government do? Taxes it. Not incentives, not try to develop that industry, not try to grow an industry, not try to promote an industry. No. You tax it.

Then what they will do? Then the industry will start collapsing and they will start laying off people and then you will see the ministers in this Government run helter-skelter and try to give them \$22 million to stem the layoffs and then it is too late.

You go line by line through this Government and if you have got a good project, that is why Manitobans are always scared to stand up and put in the newspaper that they have got a great concept, because this Government will tax it. Every time you have got a great idea this Government will tax it. It is just so undermining of what we are as a province.

In fact, I heard in the hallways yesterday they call this the entrepreneur tax budget, the taxation on those individuals who are willing to risk, that say "You know what, I have got a great idea, I am going to try something, and I am willing to lose money because I believe in this."

What does this Government do? Taxes it. The first thing you want to do as an entrepreneur, you want to get an accountant, oh, 7% increase. You need a lawyer, 7% increase. You might want to come up with a new building. Well, you need an engineer, 7% increase. You need an architect, 7% increase. It does not matter what you do now as an entrepreneur in this province, you will get taxed. The taxes are going up and up, and up.

Whether you want to drive your car, whether you want to truck something through this province, whether you want to try to make Manitoba a transportation hub, bring it in from the world, put it in a truck and ship it throughout North America, you are going to pay a lot more because of it, one, to register your truck; two, to get your licence; and three, you are going to pay more for your diesel fuel.

This is not a budget that this House can accept. This has Eugene Kostyra's fingerprints all over it. We are right back to Howard Pawley days, and it is really discouraging for Manitobans. From the senior on fixed income, to the entrepreneur, to those

families who have loved ones driving on the Perimeter from 59 to No. 15, those families have no hope. When I go into my community and they say, oh, we are going to get the twinning of the Perimeter, ah, no, no, maybe if, kind of, sort of, maybe in 2009 if we are lucky.

Oh, well, they have committed money to it, \$5 million—\$65 million for forced unionization of the floodway, that they can accomplish—\$5 million to twin the Perimeter Highway.

This is not a budget for Manitobans. This is a budget that has no vision, has no trust of Manitobans, and certainly from this member representing the good people of Springfield who have asked me to speak on their behalf, this is not a budget that I will be supporting. This is a disgrace for Manitobans and it sets this province backward.

Mr. Conrad Santos (Wellington): Madam Acting Speaker, this is the fifth budget of this majority government in Manitoba. The first four were relatively easy and good and acceptable budgets. This one is a tough one. The theme of what the Member for Wellington is going to say will inquire why this is so from a global perspective.

An Honourable Member: The more global, the better.

Mr. Santos: The more global, the better, says the Member for Elmwood (Mr. Maloway).

You have to understand the background in order to understand the details. If you would summarize the topic of this participation in this 2004 debate on the Budget, it would be summarized in three words: diminishing political governance. It is stated more formally, governments everywhere, federal, foreign countries, local, everywhere governments are slowly, gradually, but surely losing the political authority to govern. To whom? To the private, multinational corporations.

In our capitalistic economy, traditionally the government is the exclusive agent of the political community organized as an established political order which legitimately exercises the collective will of society in the exercise of governmental authority to look after the general welfare of all citizens.

For this reason, Madam Acting Speaker, governments everywhere are buttressed by the only exclusive monopoly to the use of coercion to carry out collective wishes of society. But in a capitalistic society like ours there are many other non-governmental, private, not-for-profit organizations, including corporations, unions, whatever, that compete with the government in trying to direct the affairs of the people in society.

Mr. Speaker in the Chair

One prominent member in the past, if you will study history, is the church organization. Wherever the old colonialist goal, the sword and the cross are going together. We solved that when we invented a constitutional doctrine called the separation of the church and the state. Now in this relationship between corporations and government, we do not have any such comparable doctrine of separation. Instead they have an aptly mutual, symbiotic, self-reinforcing relationship between the government, which charter authorized this monetary industrial and trade organizations to exist, to do business, to accumulate investment owned by other people like shareholders and bondholders and gather them and accumulate them in the structure of the corporation.

* (16:20)

What is the corporation? The corporation is an artificial legal person given certain rights of human beings. They can sue and be sued. They can own property. They can hold bank accounts. They can accumulate wealth but you cannot imprison them because it is an intangible creation of the mind, the legal creation.

In actual fact, who runs all these organizations, all these NGOs, non-governmental organizations, these unions, these multinational corporations, who runs them? They are run by human beings like you and me. They are very envious of the position of the government. They want to take over government, all of this, non-governmental units, corporations, unions, churches, whatever. I am an academic. I look on both sides. I am not an ideologue. I study and analyze all these things.

An Honourable Member: You know that there is a hidden agenda then.

Mr. Santos: No. I do not know everything, but I only know what I observe.

Mr. Speaker, any of those people who run multinational corporations are indeed seeking to influence, to direct, to control public decision makings by government; try to deny that. What techniques do they use? Oh, they advocate doctrines like deregulation. What does deregulation mean? Cut down all the regulations of government. What do they say? Privatization. Privatize all public functions. Give them to these private groups. They also use things like public-private partnership, as in Alberta. That is sharing the public function with private people.

Now what are the multinationals doing? They are doing what they call outsourcing. What is outsourcing? More specifically, they call it offshoring. That is exporting local jobs abroad to foreign countries. Why, Mr. Speaker? Because when they boot out their highly paid, well-trained local employees, they have savings of money with which they can buy the foreign technicians in India, everywhere to do the same work for less money. In the name of money, they fired their own local people and hired foreigners. Who is doing this? Multinational corporations.

They blame government—no jobs, no jobs. But who are the job creators in our capitalistic economy? They are the private sector, generally speaking. What do they do? Instead of hiring new workers, they will not hire new workers. They will buy capital equipment that will do the jobs of human beings so they do not have to pay salaries, because this equipment is not eating or drinking or needing anything material.

So what do we have now? In the year 2003 and 2004 we have economic recovery without jobs. Who is doing all these things? The private sector, the multinational corporations. What can you say about all these developments? Surely, but slowly and gradually, political governing is becoming more and more difficult. It is weakening the public policy-making power of governments everywhere.

What are the indications of this in our historical past as a nation? The Constitution of Canada, the BNA Act, gave the power over money and credits to the federal government. What did the federal government do? They created and empowered the private commercial banks. These banks are now the creators of money. Government then borrows from the private commercial banks, who now charge

interest. The charges mount year after year, year after year, and now governments are sadly in debt.

They use this as an excuse for now getting part of the revenue from taxes to pay this government indebtedness and the rationalization to cut essential public services. Do you not see the connection there?

The second thing the federal government had done was to enter into international, bilateral and multilateral contracts. What happens when we enter and bind ourselves to certain agreements, especially with big industrial nations like the United States? What happens? It means that we have lost some of our independent economic and social-policy-making power.

Third, this Government and every other government are being deluded now by new doctrines. Adopt the public-sector model, the private-sector model. Adopt the private-sector model. It gives more efficiency. It gives more productivity, they will say, and certain governments are falling into the trap. They adopt the corporate model. They call it the new public management.

They created units of government that behave like they are business firms and that they are business corporations under a balanced budget legislation. This inhibits the governmental, monetary and fiscal power over the workings of our national economy. It shifts the economic and political direction away from the representatives of the people and the heads of the private profit-seeking, professional, non-elected corporate managers, bureaucrats and arbitrators outside the political structure of government. That is what is happening.

So how can you blame governments now? I mean in the private sector, the private firm, the private corporation, the private managers, they are taking away some of this essential public function. Are they really that model in terms of operation, in terms of management? Not really, despite their enormous salaries and jobs. These professional chief executive officers, where are they now? Mr. Speaker, some of them are being charged. Enron, WorldCom, Parmalat, all of these are examples.

This philosophical fury started with the French physiocrats. Laissez faire, they say. Let the capitalist economic system, the system of production, be based on the private ownership of the means of production.

Let the law of supply and demand operate. Limit the function of government to the police, to the judges, to the keeping of peace and order. That is all.

But, Mr. Speaker, they recognize at least the role of the government as the arbitrator of all these competing political and economic claims to the limited resources of society. It was popularized by Adam Smith in a book called *The Wealth of Nations*.

* (16:30)

Let me quote from that historic author: "But man has almost constant occasion for the help of his brethren, and it is vain for him to expect it from their benevolence alone. He will be more likely to prevail if he can interest their self-love in his favor, and show them that it is for their own advantage to do for him what he requires of them."

"It is not from the benevolence of the butcher, the brewer or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love; and never talk to them of our own necessities but their own advantages."

That is in chapter two of *The Wealth of Nations*.

So this capitalistic system is based on private interests, everyone to his own but regulated by the so-called economic law of supply and demand, get as much as you can get according to this operation of the economic laws of supply and demand.

There is an example here. Immediately after the September 11 twin-tower bombing in New York, there was a hotel there called travellers' inn. Their rate was \$199 per night. Immediately after the bombing, they raised their rate to \$399 per night despite this tragedy. Why? That is the business of corporations. The corporations are to make money, as I said—

An Honourable Member: Even out of tragedy.

Mr. Santos: —out of tragedy. They will take advantage of the tragedy of human beings to get more money. That is the ethos of these private, profit-seeking multinational corporations.

Obviously, in all these economic claims for limited resources, there are ample conflicts of

interest. Conflict of interest, as you know, is a difficult thing to prove, a difficult thing to substantiate because of this competing claim on our limited material resources of realty, personal property, including money. There are also competing claims to other non-material resources like time, youth, beauty and opportunity.

Budgeting on a larger scale, on a global scale is nothing but the allocation and the distribution of our limited resources within a given period of time called the budget cycle. We have to budget because we have basic needs like the need for food and shelter, but we have unlimited desires, unlimited wants. Competing claims on human resources are put forth by human beings, but they use the instrumentalities that they created because these human beings occupy roles and positions either as captains of industries, banking establishments or movements or as leaders of government and leaders of political parties.

So we have to look into the nature of human beings. What are we? Are we good or not so good? Of course you can say there is an optimistic view of human nature. Humans are good. They are created according to the image of the Maker, the Creator. Then of course there is the pessimistic view. No, they are not. They are self-seeking. They are greedy. The best view, the more realistic one is the dualistic view. They are both good and bad.

In other words, human nature is a mixture in varying proportion of the desirable and the undesirable, the good and the bad, the virtuous and the vicious, the rational and the non-rational, the noble and the ignoble. There is in men, and that includes women, there is in human beings a potentiality for the highest level of goodness and greatness as well as a potentiality to the lowest descent of human wickedness. You have witnessed that in history. Well, you can think of examples: Churchill, Hitler, Stalin.

It is written: So God created man in his own image, in the image of God created He him; male and female, created He them. How? The Lord God formed man out of the dust of the ground and breathed into his nostrils the breath of life, and man became a living soul. Analyze this. He was created from the dust of the earth.

Now, if you do that scientifically today, when you die, your cadaver, analyze it scientifically, what

does it consist of? It consists of the same basic elements that are found in the earth and in the limestone embedded in the soil: calcium phosphate, carbonate of lime constitute the bones and the other hard parts of the human body; nitrogen, carbon, oxygen, hydrogen constitute the soft part, the muscles and the fluids of the body. There are other minute basic elements present like magnesium, silicon, aluminium, potassium, sodium, iron, manganese, titanium, chlorine and phosphorus. That is why we take pills that contain all these, so that your physical body may be sustained. It came from the same crust of the earth.

There is an inner person and he became a living soul. The living soul is non-material. It is intangible. It is akin to the human conscience, to the human spirit. It is part of the spiritual world. It is not interested in material things. It is known only to those who are able to transcend the material. That is the good part of man. The bad part is what we got. We get hungry, we get angry, we get jealous. All the things are here in this physical body.

Reinhold Neibuhr is a theologian. He said this about man's desire and greed: "The beast of prey ceases from its conquest when its maw is crammed; but man's lusts are fed by his imagination, and he will not be satisfied, until the universal objectives which the imagination envisages are attained," *Moral Man and Immoral Society*, 1936, page 44. You see, when the eagle or whoever is the animal that is the beast of prey, when they are satisfied, they stop. They just live. But what about human beings? The more he gets, the more he wants; the more he wants, the more he wants. That is what a human being is. So he said that the man's will to live in order to survive soon becomes man's will to power, the desire to dominate and to conquer.

This is probably the best explanation for military and economic conquests and the untold sufferings of the victims of wars and terrorism: man's will to power, man's will to dominate as part of our dual nature. However, in a world of material resources, we use money as a measure of value. We can use this money to the extent that it will promote the welfare of human beings in our society, or we can use this money as an instrument to make it worse for human beings.

* (16:40)

Through proper budgeting, Mr. Speaker, money can be channelled to meet legitimate human needs in organized political communities. The proper allocation of limited resources to meet the health needs of those people who are needing it, the less fortunate in society, that is part of any good government. The need to spend the public money to promote education and training of the people, that is part of the development of people. You cannot have economic development without trained, educated, skilled and experienced people. That is part of the good public policy making in budgeting.

On the other hand, the bad nature of human beings is they are plunderers of public treasury. Suharto, the former head in Indonesia, was reputed to have bilked some \$35 billion from the public treasury.

I do not want to talk about ad scam or anything like that, but I want to talk outside. The United Nations sponsored an oil-for-food kind of contract with the Saddam Hussein government. What happened? Those suppliers were willing to raise their prices as long as Saddam got a kickback of 10 percent, and they were willing to do that, the multinationals. So Hussein, this is political corruption. *[interjection]* I am not talking about Canada; I am talking about those outside countries. But, if you talk about political corruption, who can equal Enron, Parmalat, WorldCom? You cannot match those.

So this is becoming more and more difficult because we are being indoctrinated with values of the materialistic multinational corporations. Get as much as you can get, raise the prices you can raise, and do not feel guilty about it.

I think that on a global basis the recent triumph of Anglo-American capitalism over Soviet socialism and the resulting globalization of trade and financial transactions mark a very, very subtle shift in the classical liberal form of capitalism into what we can call the libertarian form of capitalism.

What is the difference? The classical liberal type of capitalism at least recognizes the existence of government. It recognizes the power to tax so that they can maintain the police, the judges, the courts, all the essential services of government.

But, Mr. Speaker, this new form denies even the very existence of government. They want to take over all the functions, all the public functions of government, from mail to jails, should be privatized, they were saying.

What will happen if that succeeds? Generally speaking, there will be a gradual sure, slow but certain withering away of governments by the cessation of governmental function, ultimately a jungle dominated by multinational corporations directed by non-elected, non-accountable, private, professional, profit-seeking managers that runs everything in our society. Do we want that? That is the question.

If we do not, then we have to accept the fact that taxes are the price of civilization. As I have heard the Member for Springfield (Mr. Schuler) say, people are not really resistant to paying taxes so long as they know where the taxes are going, and it is going to the benefit of the people in the community. Of course, that is the price of civilization. Without taxes, who will pay you as an MLA? Without taxes, who will pay the police to watch your property? Without taxes, who will pay the judges to settle your disputes? These are essential costs of civilized existence in society.

Why are you objecting to it? Is it tax again, tax again? Of course, it is essential for running civilized, organized society. You do not have to be competitive. What happened is this. The government is being played for a sucker. Multinational corporations, if you do not give us all these concessions, we will leave you, we will go country X. What is that? That is a threat, blackmail. That is what it is. Why do governments succumb to it?

Thank you, Mr. Speaker.

Mr. David Faurichou (Portage la Prairie): Mr. Speaker, it is a privilege once again to rise in the House to participate in the debate regarding the Budget that was delivered to this Assembly yesterday.

Mr. Speaker, if I was sitting on the side of the Government after hearing yesterday's Budget, I would be truly ashamed. In fact, as a member of this Assembly and as well as an adult Manitoban, I am embarrassed by the content of this Budget.

This Budget is one that is going to saddle the next generation, and potentially the generation thereafter, with the repayment of the debt incurred today. As I sat here in Assembly during Question Period, we were observed by students in the gallery, Mr. Speaker, and I could not help but look into their eyes with that embarrassment that they were going to have to look after the debt that ultimately I, because I am a member of this Assembly, am going to be a benefactor of.

I want to say, unequivocally, as a Manitoban, that I want to stand on my own two feet. I want it to be known that I paid my own way through when I graced this Earth. I do not want to say to my children or grandchildren that they are going to have to pay back debt that I incurred to make my life better. I want to be responsible. I want to look in the mirror in the morning and say that I am responsible for my expenditures and if I do not have that dollar, I am not going to spend it.

Year in, year out, we pay the smoke and mirrors game in this House as to whether or not, really, we have a deficit or we do not have a deficit, whether we are within balanced budget legislation or whether we are not. I am a bottom-line person, and the bottom line is for all of us of this Assembly and published to the general public as well. B-26 in the budget papers gives a description of the debt of this province, whether it is an operating fund, whether it is a net, direct or guaranteed debt, or whether there are other obligations to which we as Manitobans are responsible for.

*(16:50)

But I have looked to the net, direct and guaranteed debt, which effectively is basically the responsibility of government, either by their own department or by related Crown agencies. That debt, Mr. Speaker, in 1998-1999 effective—it was the last year of the Tory administration—was \$13.398 billion. The current government projects that all Manitobans will be responsible for a debt of \$15.584 billion at the conclusion of the 2004-2005 budget year.

That is alarming. That is why I am embarrassed and government members should be ashamed, to add over two and a half billion dollars to this Province's debt that we that sit in the Chamber today do not have enough years left in our working lifetime in which to pay off. So it is going to be the children and

the grandchildren of the members of Assembly that will be responsible. But, even going further, Mr. Speaker, when one includes all of the other debt that the province of Manitoba is responsible for that are garnered by other agencies and pension plans specifically, that debt, in the 1998-99 year, which of year reference I used previously, was total, including of the direct and indirect debt, was \$16.614 billion. Today, that same line, total obligation by the Manitoba public, is \$19.296 billion.

This, Mr. Speaker, is the bottom line. This is where the true picture of our state of affairs as far as finance is clearly, clearly outlined and without dispute. That is why I am gravely, gravely concerned about the potential that this Budget affords as far as debt is concerned.

I really, truly ask of the members opposite to look themselves in the mirror and say whether they are willing at next opportunity to look to their children and their grandchildren and say to them that I am enjoying the good life now, but you are going to be responsible for payment.

Mr. Speaker, in addition to the bottom line, I have looked with concern as to line after line after line of each department, the top line: Executive Salary. Now, I look at each individual that is on the government side of the House and I carry no malice. Each individual who seeks public office has my respect. Individually, these members I have gotten to know over the last number of years I have the utmost respect for, but, collectively, forming government today the decisions that are being made truly concern me.

I hope that each, as they carry their own self respect and esteem into meetings where they are deliberating their current budget, will see through to making the right decisions and making amendments.

Even today, Mr. Speaker, we all learned a little bit more from the member from St. Norbert in regards to Sport Expo, and how that event that, obviously, she attended, she was very thrilled to have that opportunity, but I do not believe, at that point in time, that she would have, had she inner knowledge, shared with those individuals that she was going to be standing in support of a budget that saw the particular support grant of this particular event, even though it was in most parts supported by Great-West Life, that the grants were going to be cut.

Why, Mr. Speaker? I ask the question. When there is money enough to enhance Executive Council salaries, there is not enough money, in fact, to support sport at the same level as which we did last year.

To be very specific, the grant assistance towards sport afforded Manitobans last year was \$309,000. This year, the projected expenditure in support of sport here in the province of Manitoba through grants will be \$242,000. Overall expenditure toward Sport Manitoba remains the same year over year from 2003 to 2004.

Mr. Speaker, that does not take in for inflation, which, currently, in the province of Manitoba is running in around the 2.4 percent to 2.7 percent annually. These agencies, now, that provide for activities of, for the most part, young people here in Manitoba are going to be severely constrained because the dollars that they have this year, even if they are the same, purchase less.

So, Mr. Speaker, we really, truly are going the wrong direction. I know this Government saw fit to create a Ministry of Healthy Living, and that is a step in the right direction, and I applaud the Government for having the vision in which to carry forward in this regard.

However, that is only part of the public relations, I am afraid, that this Government is an absolute master of. They say what they intend to do, which is very right with even most members of the Official Opposition, however it is the follow-through, and the devil is in the detail, as was told to us earlier in this House during debate.

I am afraid that is the truth again in the case of virtually every department. One wants to say that we are supporting healthy living but an integral part of healthy living is recreation and sport, which gives us that physical activity that ultimately keeps our bodies in good health.

Mr. Speaker, why is this Government seeing fit to cut that very fundamental line in the Budget while they still look to the media and press releases saying that the New Democratic Party truly supports a healthier lifestyle?

I know also we heard in great detail that the New Democratic Party wants to be known as a friend of

the environment, and one that wants it to be seen that they have accomplished much in their tenure. The bills laid before this House, I believe, are aimed at achieving such a goal, but, Mr. Speaker, if we pass the legislation in the House and then, effectively, do not backstop it with the resources to put the legislation into place, then why are we going through this charade of passing legislation?

Mr. Speaker, I will give you an example of how things are displayed in the Estimates here that contravene the statements that we do want to protect the ecosystem and the environment and wildlife within that. In the Estimates of the Conservation Department, the budget for Wildlife and Ecosystem Protection is receiving over \$100,000 less in resources this year than last. That is actual dollars of expenditure. That is not inclusive of the reduction I have mentioned as far as inflation goes.

Let us look further down the page to Habitat Management and ecosystem Monitoring. This is where the Government places its eyes and ears to make certain that, if there is a problem, it is identified and action is taken to prevent further damage. Mr. Speaker, this Government has decided to cut this line in the Budget as well, last year spending \$1.544 million, this year intending to spend only \$1.462 million. Again, a cut.

We want to look to the future and make certain that we have the biodiversity within our province and it is maintained because a lot is made of the global warming, and so we want to monitor and be on top of things here. Mr. Speaker, this Government has cut that department as well.

We want to look at a fund that was set aside to make certain we try and support some of the fragile environment here in the province, as well as endangered species, which we all want to preserve for future generations. What has this Government seen fit to do? Mr. Speaker, last year that fund had \$432,000 in which to spend in this regard. This year it has only \$250,000 to spend.

*(17:00)

Why the press releases? You are trying to give the impression that you are really a friend of the environment when truly you are not. I am sure that the members on the government side of the House—because, Mr. Speaker, I know how the process

works, most members of the Government did not see this information until we on the opposition benches saw it as well. So I am sure that they are astonished to learn as to the actual nature, the nuts and bolts, of this Budget, where the rubber hits the road. I hope that they will take the documentation as provided to all honourable members of this Assembly home and study it very, very carefully because, indeed, the devil is in the detail.

Other departments. Mr. Speaker, we have heard a lot about the flip-flop or, I guess, the Government will say, well, it was just a minor change in regard to the announcement in yesterday's budget speech that the twinning of the last remaining portion of the Perimeter Highway around Winnipeg will take place over the next three years, a statement made and recorded in Hansard. Yet within 24 hours this Government places in the hands of the media, saying no, no, the Finance Minister did not know what he was talking about. It is not going to be three years; it is going to be at least five years and potentially beyond that.

I am not stretching the truth here. This is black-and-white documentation in Hansard and then in the press release. I applaud the Government because, as former Transportation critic, I long called for an improvement to our highways and especially that stretch where many Manitobans have been injured through traffic accidents. I applaud the Government's initiative in recognizing the problem and wanting to address it. But it is the time frame that concerns me greatly.

Mr. Speaker, a lot is also made within the Transportation Department of the increase in expenditure. This, again, just absolutely infuriates me, because the department of highways, according to budget documentation provided in the House yesterday, will generate to the Manitoba Provincial Treasury \$340 million, and the Department of Transportation will receive from that same department, the Treasury Department, \$191 million.

How can we criticize the federal government, which I know is delinquent in all of the gasoline and motive fuel taxes that go to Ottawa and do not return to Manitoba, but we cannot condemn the federal government if we here in Manitoba are guilty of the same infraction. Why is the Government of Manitoba using very selective wording in expressing their expenditure of monies in the Department of

Transportation? They, very carefully, wordsmithed the statement that all gasoline and motive fuels that are collected are, in turn, spent on the highways here in the province of Manitoba.

Mr. Speaker, I have to ask the question: What about the registration fees that we heard so much about yesterday, and the increase in the registration fees that this Government is now looking to collect over \$10 million more this year than last? This Government expects now from licensing and fees to collect \$85 million. This Government is also looking to collect almost \$18 million from drivers' licences this year, more than a \$3-million increase over last year's revenue. I guarantee that we are not seeing that number of driver's licence issuance taking place over the course of the next year. That is an unannounced increase in drivers' licensing fees.

As well, within the Transportation Department's revenue stream, we also see taxicab licensing and fees, as well, that contribute to it, as well as the Licence Suspension Appeal Board fees. So, all in all, we have a revenue from the Transportation Department of over \$340 million, and expenditure of 191. I put these words on the record, and stand in this House trying to encourage members on the government side of the House, who, hopefully, the Minister of Finance (Mr. Selinger) will listen to, because the Minister responsible for the transportation network in this province needs more financial resources in which to accomplish his mandate.

Manitobans depend on this Government and the Minister of Transportation (Mr. Lemieux) to provide improved roadways that are safer to travel upon. We all know that there are many more vehicles out on the roadways today than there were in years past, and this traffic congestion is causing an increased number of traffic accidents and injuries, as has been recorded by Manitoba Public Insurance Corporation. It is a documented fact. Mr. Speaker, we are spending more and more dollars each and every year on repairs to motor vehicles, as well as injury claims. We have to improve our roadways and stem this most tragic statistic.

Unless we all influence the Minister of Finance to return to the Transportation Department monies that is rightfully that department's, Mr. Speaker, investment in Manitoba is absolutely paramount. We have to recognize that expenditures by government today is, for the most part, consumed in the interest

of the health care here in the province of Manitoba. Right now more than 40 percent of our annual provincial budget is consumed, and that department consumes \$7 of every \$8, I believe, in new money expenditures, and that is burdensome regardless of what the government of the day tries to do.

Once again, I would like to encourage the Government that we need to look at this in a more creative and innovative way. Currently, the minister works long and hard and is a most dedicated individual; however, he is facing a monumental task and must look at health care in this province in a vastly different way. We need partnerships and, contrary to the honourable Member for Wellington (Mr. Santos) in his remarks that one should be skeptical and perhaps a little scared of corporate partnerships, I believe that there is a place in health care for partnering with private enterprise.

Manitoba taxpayers should not be called upon to invest in capitalization of important new investments in health care when we could more affordably partner and work with private enterprise. Mr. Speaker, what I want to make absolutely certain—and we are not talking about a privatization, two-tiered health care system which has connotations and definitions that are to the extreme. I am looking at having a health care system where you have your Manitoba Health Services card, and that is accepted in facilities regardless of whether that facility is owned by the Government or private enterprise, but if we are engaging in the services that that facility provides, that Manitoba Health card gives us access to those services.

I am not as apprehensive of partnerships with private enterprise as the honourable Member for Wellington is, because I believe that we go in with eyes open, and we are intelligent individuals, and that we can structure contractual arrangements that are in the best interests of Manitobans, and that is our mandate.

*(17:10)

I know that I have spoken on health care in the past, but it is a concern to me. I know that the honourable Health Minister is going to be joining me, Mr. Speaker, on Thursday morning in Portage la Prairie at the Portage and District General Hospital for an announcement of investment in that facility, hoping to enhance services to Portage la Prairie and

area, and I am very much looking forward to the minister's announcement on Thursday of this week.

Mr. Speaker, I think we have to go farther than that. We have to recognize that we must invest in a primary health care system, a regional health care system, as well as a health care system that employs services of a tertiary hospital as well.

It all begins, Mr. Speaker, with our emergency services personnel. I do applaud the investment that this Government has made in new ambulances that we see on the roadways of Manitoba and the investment made in training of new personnel, but we need to go farther. We need to be able to guarantee to Manitobans, regardless of where one lives within this province, that emergency services are available to them in a most timely fashion, because we all are aware of that first golden hour when it comes to stroke and heart attack, that if the individual receives emergency medical attention that the health care cost is exponentially reduced.

Mr. Speaker, I encourage emergency services, that investment. Then I also look to the primary health care facilities that one can go to for that stabilizing observation time and for primary testing; then, a regional hospital within the area that one can receive a CAT scan, receive an ultrasound, receive the diagnostic services which the individual needs on a very timely basis, so that our physicians can make those vital decisions in the best interests of patients. Then and only then do we see the ambulances taking individuals into Winnipeg from the rurals of Manitoba.

Right now, Mr. Speaker, the ambulances are bringing people in constantly from rural Manitoba because there is very, very little investment going on in rural Manitoba to the particular points to which I raise, outside of Brandon, which I will acknowledge has seen a great deal of investment. One honourable member mentions the Winkler-Morden Boundary Trails facility. I believe that that was a very, very good investment. That was announced and already funds were flowing because the honourable member from Pembina I recall being out in a muddy field and digging that first spade full of soil for construction of the Boundary Trails Hospital. Yes, there are some investments going on in other locales, but not to the level to which we need in this province. Forgive me for forgetting about the investment made in Gimli.

Now that you see that I will recognize Gimli, I want to move back to Conservation, which I am responsible for as a critic. We recently had articles outlining the state of affairs of our major lakes here in the province and of the grave concern to which they are acknowledging the level of oxygen, as well as the incredible amount of algae that is present within the north basin of Lake Winnipeg.

We should all be gravely concerned about addressing this situation and working with our neighbours to the south, as we all recognize that a lot of the nutrients that flow into Lake Manitoba do originate from south of the border. This is where a major, major mistake is being made by this Government in not looking to North Dakota and the concerns that they have facing them. Devils Lake right now is facing record levels. It is stated by the U.S. National Weather Service that there is a 90% chance that Devils Lake will rise above the record level this summer and a 50% chance that the lake level will exceed the record by 15 centimetres, which is compromising the free-board area of the diking around Devils Lake. This is a concern to our neighbours in North Dakota. It should be a concern to us.

I want to know why this Government has gone and not looked at the situation and tried to resolve it, rather than threatening court action in which to stop it, Mr. Speaker. That is a mistake.

Hon. Tim Sale (Minister of Energy, Science and Technology): Mr. Speaker, I am delighted to rise in support of a budget that is truly balanced. The test of balance, from my perspective, is not just fiscal balance. It is fiscal, economic, environmental and educational balance. I want to speak about a budget that brought forth a comment from the Bank of Montreal, Nesbitt Burns, Canada's largest investment dealer, from Douglas Porter, their senior economist: Manitoba manages in a fine manner. He went on to talk about that faced with many economic challenges, Greg Selinger did some marvellous things. He talked about this—

Mr. Speaker: Order. I have cautioned members in the past, when referring to an honourable member it is by their constituency, or ministers by their portfolios.

Mr. Sale: My good friend the Minister of Finance (Mr. Selinger), the Member for St. Boniface, is the

person to whom I am referring. The planned balanced budget is an impressive achievement in a choppy fiscal environment. Mr. Speaker, that is high praise from the Bank of Montreal and Nesbitt Burns.

Mr. Speaker, I want to start with the fiscal balance that I think is present, not only in this Budget, but in budgets past, the last five budgets. I want to draw the attention of honourable members to page B26 in the budget document, which reflects a stark difference in how this Government has managed the economy, as compared to how the previous government managed the economy.

For example, Mr. Speaker, over the previous five years, before we, thankfully, formed government in 1999, about two thirds of the way through that year, the previous government had managed to reduce the burden of debt, somewhat, on our economy from 10.5% servicing costs to 7.3, which is approximately a 30% reduction, but, in the four periods since then, we have taken the burden on our economy from public debt costs from 7.3 percent to 3.2 percent, a reduction of 4.1 percent of our provincial resources, but, more importantly, a reduction of almost 60 percent due to the work of this Finance Minister, the ability of this Finance Minister and his officials to manage our debt prudently, to hedge our American exposure and to reduce it virtually to zero, Mr. Speaker, to take advantage of every opportunity in the debt market to make our economy so productive that we are only requiring 3.2 cents out of every dollar of our economy to service our debt.

How many families, how many businesses, how many individuals in this House could say that they were managing their debt out of 3.2 percent of their wealth, Mr. Speaker? The answer is very, very few, except the very wealthy among us who perhaps do not have that problem.

Mr. Speaker, I want to talk also about the—

An Honourable Member: Oh, oh.

Mr. Sale: You want to make an announcement, Len? I do not mind being interrupted for a minute. Go ahead.

Point of Order

Mr. Speaker: The honourable Official Opposition House Leader, on a point of order?

Mr. Leonard Derkach (Official Opposition House Leader): This is on a point of order, and I thank the minister for allowing me to do this at this time.

Mr. Speaker, in reviewing the amendment to the Throne Speech, we understand that, in your reading back to the Assembly the motion on the amendment, there were one, two, three, four, five words that were omitted in the amendment itself.

* (17:20)

With consent of the House, Mr. Speaker, I would like to make sure that these few words are included, and I will read them at the end of the motion. As it is, it should be:

As a consequence, the Government has thereby lost the confidence of this House and the people of Manitoba.

It is "and the people of Manitoba" that was omitted, Mr. Speaker.

Mr. Speaker: Is there unanimous consent to add the words that I had stated back that were omitted? Agreed? *[Agreed]* Okay.

An Honourable Member: It is Budget, not Throne Speech.

Mr. Speaker: I mean the budget speech. Okay. So the last paragraph of the motion will now read:

As a consequence, the Government has thereby lost the confidence of this House and the people of Manitoba. Agreed to? Agreed. *[interjection]*

Order, please. It is agreed to, by unanimous consent of the House, to the changing of that one paragraph at the end of the amendment that was proposed by the honourable Leader of the Official Opposition (Mr. Murray). So do you agree to the change of the last paragraph? *[Agreed]*

* * *

Mr. Speaker: The honourable Minister for Energy, Science and Technology, to continue.

Mr. Sale: I thought the amendment was going to be that we support the total budget.

An Honourable Member: The Tory computers are not working properly.

Mr. Sale: You need a new computer, Mr. Speaker.

To return to my remarks, I would just like to point out to members opposite that, in the periods after they established their balanced budget legislation, they spent, in total, out of their so-called rainy day fund \$616 million over a period of four different years: \$145 million from the so-called lottery slush fund, which they managed to keep from the attention of Manitobans for some years; and then in three successive budgets, \$100 million, \$186 million, \$185 million—for a total of \$616 million spent out of the rainy day fund in their last few years in office.

In the same period of time, this Government has spent from the rainy day fund \$158 million. Mr. Speaker, \$616 million during their period of office, \$158 million during the period in which we have been government. So, in terms of the rainy day fund, they essentially created it by creating a phoney loss in the first year that they formed government, and borrowing money against a true surplus; then they ran through most of the money they got from the sale of MTS. They used the lottery money, \$616 million, that they spent out of their so-called rainy day fund. We have drawn out of the same fund actual draws during that period of time, \$158 million in total. The in-and-out of the Hydro, \$150 million, brings it to \$362 million, still about half of what the former government spent out of the same fund.

So let us talk about prudence, Mr. Speaker. We have prudently used both the resources of the Hydro corporation and of the so-called Fiscal Stabilization Fund, or rainy day fund, to manage the incredible shocks that our Government has had to deal with in terms of the loss of federal transfer payments, the BSE crisis, the second worst forest fire year in history, in which we needed to spend over \$75 million on forest fires alone. In fact, a very interesting reality is there were more acres burned in Manitoba last year than there were in British Columbia. British Columbia, of course the reason it was in the news every night was because it was closer to population centers, but in terms of lost acres of timber Manitoba lost more acres of timber last year than did British Columbia.

Mr. Speaker, I want to turn to some other comments about balance and prudence that were made by a very interesting commentator, a former colleague of mine in the faculty of Economics at the University of Manitoba, Norm Cameron. Norm has a

great sense of humour, so I think he would forgive me if I said that he is not known as a bleeding socialist. Let me say that Norm Cameron would not qualify as a bleeding socialist. What he says is in response to a question from Larry Updike, who says that he had not had a chance to talk to Norm for a while on this and he asks Norm "Are they in deficit or not?" Norm, after explaining the issue, says in conclusion, "so in most years they are actually running a surplus." Interesting, Norm Cameron, Economics Department, University of Manitoba, is not a bleeding socialist. What does he say? They are actually running a surplus in accounting terms.

Then Larry Updike cannot quite believe this, so Larry goes on and says "Do you think over the longer term, because of that, do you think that this Government has been a good fiscal manager. Norm Cameron says, "Yes, yes. I think that this Government has been a good fiscal manager?" What does he say here? Norm says, "I think that Manitoba governments over the past 15 years, even 20 years have been the best in Canada. In other words, you guys were reasonable fiscal managers; we are very good fiscal managers." Larry Updike cannot figure this out. He is really confused. He says, "Wow, including this crowd here?" And Cameron says, "Yeah, oh, especially this crowd, yeah, yeah." "Why?" says Larry. "Why is that the case?" Well, he says, "the NDP government is not one you would expect to be fiscally conservative, but they have been." You know, very interesting. Norm Cameron, economist, University of Manitoba, not a left-wing economist, let me say. Oh, yeah, especially this crowd. Very interesting, Mr. Speaker.

All four of this Government's budgets have been balanced under Manitoba's balanced budget law, but I want to recall for members opposite the accounting situation that was present when the balanced budget law was put in place. Basically, governments in those days, in the nineties and eighties, were required in the year in which they made any expenditure—it did not matter what the expenditure was. It might have been to build a highway; it might have been to build a hospital; it might have been to build a school. Under the previous accounting standards that were in place, governments were required to expense everything that they did in the year in which they did it, which would have meant, Mr. Speaker, as we pointed out at the time, that there never could have

been a floodway built in Manitoba. Duff Roblin could not have built the floodway under the balanced budget legislation because there was no provision in those days for the appropriate amortization of capital assets.

The member from Fort Whyte shakes his head, but he really needs to go back and read the fiscal administration rules that were in place until fairly recently, Mr. Speaker. He knows that what I am saying is absolutely factual. We had to expense computer systems in the year in which they were bought. We had to expense hospitals. We had to expense everything that we did in the year in which we bought it.

Well, Mr. Speaker, what has this Government done? Basically, we have adopted the appropriate mechanisms for capital finance so that the people of Manitoba can enjoy, for example, the kinds of road and highways investments which the honourable Minister of Transportation and Government Services (Mr. Lemieux) proudly announced today, where we are twinning the remainder of the by-pass and we are twinning the remainder of the highway to Saskatchewan.

Mr. Speaker: Order. When this matter is again before the House, the honourable Minister of Energy, Science and Technology will have 19 minutes remaining.

The hour being 5:30, this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

CORRIGENDUM

Vol. LV No. 20 - 1:30 p.m., Wednesday, April 14, 2004, page 850, the second column, second paragraph, inadvertently reads

Mr. Goertzen: Mr. Speaker, this minister is trying to rob Manitobans of what would be a good opportunity. But a tax on the ability and the value . . .

The paragraph should read

Mr. Goertzen: Mr. Speaker, this minister is trying to rob Manitobans of what would be a good opportunity. But attacks on the ability and the value . . .

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 20, 2004

CONTENTS

ROUTINE PROCEEDINGS		Members' Statements	
Petitions		Tax Increases	
Proposed PLA–Floodway		Loewen	988
Goertzen	977	Gerrard	990
Murray	978		
Penner	979	Deer Lodge Staff Fitness Centre	
		Korzeniowski	989
Minimum Sitting Days for Legislative			
Assembly		Highway Twinning (R.M. of Springfield)	
Lamoureux	977	Schuler	989
Highway 227			
Eichler	978	Sport Expo	
		Brick	989
Oral Questions			
Budget			
Murray; Doer	980		
Loewen; Selinger	982		
Stefanson; Selinger	983		
Penner; Wowchuk	984		
Loewen; Selinger	985		
Gerrard; Doer	986		
Gerrard; Selinger	9870wq		
Lamoureux; Selinger	987		
Schellenberg; Lemieux	987		
Tweed; Selinger	988		
Pharmacare			
Driedger; Chomiak	984		
		ORDERS OF THE DAY	
		GOVERNMENT BUSINESS	
		Adjourned Debate	
		(Second Day of Debate)	
		Murray	991
		Ashton	997
		Schuler	1003
		Santos	1008
		Faurschou	1012
		Sale	1017